

FBIS

DAILY REPORT

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FOREIGN MINISTRY ON MAPUTO RAID, AFGHANISTAN

OW240908 Beijing XINHUA in English 0826 GMT 24 May 83

[Text] Beijing, May 24 (XINHUA) -- The raid by South African warplanes on Maputo, Mozambique, is a deliberate encroachment on the sovereignty and territory of an independent state and a grave crime committed by the South African authorities to the African people, a Chinese Foreign Ministry spokesman said today.

Speaking at a press briefing this afternoon, Qi Huaiyuan, director of the Information Department of the Chinese Foreign Ministry, said that the Chinese Government and people sternly condemn the South African authorities for the crime of barbarous aggression against Mozambique and firmly support the solemn and just stand of the Mozambican Government and the Organization of African Unity and the Mozambican Government's appeal to the governments of all countries and the international community for support.

On May 23, the racist regime of South Africa sent 16 warplanes for a waton bombing of Matola, a suburb of Maputo, capital of Mozambique, causing serious loss of life and property to the Mozambican people.

Referring to China's position on the draft agreement between Pakistan and the Karmal regime in Afghanistan, Qi Huaiyuan said that the Chinese Government has always maintained that a prerequisite for the solution of the Afghan question is Soviet troop withdrawal.

"We are also in favor of a political settlement. But any plan for a political settlement must be in keeping with the relevant resolutions of the U.N. General Assembly, that is, foreign troops should first of all pull out of Afghanistan, and the status of Afghanistan as an independent, sovereign and nonaligned state should be restored so that the Afghan people will be left free to decide their own destiny, and the Afghan refugees be allowed to return to their homeland safely," he said.

The Chinese Government, he said, appreciates the position of the Pakistan Government of adhering to the four principles set forth in the relevant U.N. resolutions and of firmly demanding foreign troop withdrawal from Afghanistan. The Chinese Government appreciates the unremitting efforts made by the Pakistan Government for a just settlement of the Afghan question, he added.

RENMIN RIBAO VIEWS WILLIAMSBURG SUMMIT

HK210920 Beijing RENMIN RIBAO in Chinese 19 May 83 p 7

["Newsletter from America" by XINHUA reporter Yu Enguang and RENMIN RIBAO reporter Zhang Liang: "Williamsburg and the Western Seven-Nation Summit"]

[Text] The ninth summit of the seven Western nations soon will be held in Williamsburg. Recently, we were invited to visit the site of the meeting in Williamsburg, a well-known and historic town, and to cover the preparations for the meeting. Departing from Washington D.C. by car, and driving swiftly for 3 hours to the south, we arrived at our destination.

Our eyes beheld the distinctive scene of an ancient town: houses, stores, churches, streets, gardens . . . all displaying a pattern of an 18th-century British town. Men and women dressed in historical costume were walking to and fro in streets, restaurants, and shops, solicitously entertaining visitors.

For a fee of \$9, visitors with zest were allowed to enter buildings along the main streets and view shops, post offices, carpenter workshops, printing houses and, shows of various handicraft arts with a flavor of 200 years ago.

That is the so-called "Williamsburg of the colonial era," a town where the seven-nation summit will be held 28-30 May. It was once the capital of the colony of Virginia under British rule. The town now covers an area of 173 acres and has 800 antique houses. In fact, it is a large-scale museum. When leaders of seven nations stay there, the town will not be open to ordinary tourists, and all facilities will serve the leaders. The delegations from the United States, Britain, France, West Germany, Canada, Italy, Japan, and the EEC, together with all kinds of personnel serving the meeting, will total 2,500 people, and there will be 3,000 reporters from various countries. It is costing the U.S. Government nearly \$7 million to prepare this meeting.

Many reporters accompanying us asked White House officials in charge of the preparations: Why was Williamsburg chosen as the site of the summit? The answer was: The leaders need a "quiet and comfortable environment" so that they may come into contact and carry out talks in a "relaxed and informal" way, and avoid spending too much time on formal meetings and arguing unceasingly about the draft communique as done in previous years. Reporters had no doubt of the unique flavor and the tranquil and wonderful environment of Williamsburg, but they were doubtful about whether the environment would play a role that the host had expected. Before we visited Williamsburg, we attended a number of briefings held by the White House or the Department of State on the coming summit. We found that the United States held different and even opposite opinions to those of other Western nations on almost all the issues which would be discussed at the meeting. Although the United States has tried to coordinate positions with other nations since the beginning of this year through bilateral summits, the finance ministers' meeting of the seven nations, high-level consultations, the meeting of the International Energy Agency, and the meeting of the Organization for Economic Cooperation and Development, little has been achieved.

First of all, every nation has its own plan for economic recovery. Since the beginning of this year, signs of recovery have appeared in the Western economy, but developments are uneven. Recoveries in America, West Germany, and Britain seem to be quicker. They are followed by Japan and Canada. But their speeds of recovery are all far slower than those after previous postwar recessions. The momentum to recovery in France and Italy appears very weak. The prominent problem throughout the Western world is serious unemployment. At present, the total jobless figure in 24 industrialized nations is still as high as 32 million people, which is a postwar record. Therefore, most West European nations, particularly France and Italy, have demanded that the United States take a "positive attitude" amid economic recovery and "coordinate its steps with" Western Europe. Particularly, they have appealed to the United States to change its policies of high deficits and high interest rates which have adversely affected economic recovery in Western Europe. But the United States' reaction to this is frigid. U.S. Secretary of the Treasury Regan recently even countercharged France with failing to adopt "prudent" policies for recovery and trying to rekindle "the flames of inflation." On 10 May, Washington disclosed a memorandum on the U.S. Government's policies toward the summit. It more explicitly indicates that no "international blueprint" should be drawn up for economic recovery. In other words, "each one should just sweep the snow from his own doorstep."

In order to free themselves from the economic recession, West European nations stressed at last year's Versailles Summit that it is necessary to create a stable international monetary environment.

They have repeatedly pointed out the violent changes in the exchange rates between the U.S. dollar and the European and Japanese currencies in recent years have weakened the latter and caused monetary instability which in turn has hampered the recovery of their economies. Therefore, they have urged the United States to interfere in the money markets. At last year's meeting, the United States just made an ambiguous promise. A few days after the meeting, it simply announced that it would not change its noninterference policy in the money market. Recently, French President Mitterrand declared at the OECD meeting that France calls for reestablishing an international monetary system, stopping the free fluctuation of exchange rates, and restoring fixed rates. But on the same day, Regan also declared that the proposal to link the U.S. dollar, the Japanese yen, and the European monetary system together is a "premature" idea. He indicated that the United States has reservations toward France's proposal.

Trade remains the most immediately significant issue at the Williamsburg meeting. Western nations are all striving to increase exports so as to create more jobs and promote economic recovery. Recently, voices opposing protectionism and demanding free trade have been sounded from Washington, Tokyo, and capitals of West European nations. Leaders of the 10 EC nations issued a statement in April, emphasizing that the trade war between Europe and the United States should stop, otherwise, the Williamsburg meeting will get nowhere. On 10 May, U.S. President Reagan delivered a nationally televised speech. He once again raised a cry of warning that protectionism is the primary enemy at the time being.

However, sonorous appeals cannot replace stern reality. Automobile wars, iron and steel wars, and farm produce wars between Europe and the United States arise one after another and are still in the ascendant. The crux of the problem is that everyone only stares at other people's protectionism and demands others to open markets, but builds up his own tariff barriers and shifts his troubles to others. That is the reason why no meetings can solve the problem.

As for East-West relations, especially trade with the Soviet Union, which the leaders will discuss, this is an issue over which the United States and Europe have disputed with each other for the past year, and there is no sign of settlement. Over the past few months, West European leaders have demanded through various channels that trade with the Soviet Union not be included on the agenda of the Williamsburg meeting. In the 6 weeks up to the end of April, the 10 EC nations issued two memorandums, avowing that the U.S. position of restricting Western Europe's normal trade with the Soviet Union is unacceptable. But the United States turned a deaf ear to this. Although U.S. Secretary of State Shultz, when in Paris recently, did not exert pressure on Western Europe as his government did so a few months earlier, he still warned Western Europe not to depend too heavily on trade with the Soviet Union and, more importantly, not to take it as a "component" of the economic development of Western Europe. The U.S. Government's memorandum published on 10 May once again stated that the dependence of Western Europe's trade on the Soviet Union was "dangerous."

With so many problems being put before the Williamsburg meeting, the tasks for the government heads will certainly be very arduous. After we visited the town and covered the preparations for the meeting, we almost forgot the enchanting flavor of the ancient town and wondered: How could a 3-day meeting drag in so many people and cost so much money? What role will it play in dealing with various problems existing at present? We happened to read a remark from a commentary by WALL STREET JOURNAL: "It is possible for the summit in Williamsburg late this month to avoid ending in failure, but this purpose can be achieved only if it deals with nothing." This view seems closer to reality.

RENMIN RIBAO ON DEVELOPMENT OF RECIPROCAL TRADE

HK240342 Beijing RENMIN RIBAO in Chinese 20 May 83 p 7

[Article by Tan Feng: "Reciprocal Trade -- a New Form of International Trade"]

[Text] The economic crisis in the world today has adversely affected the conditions of international trade. Many countries confront difficulties such as shortage of foreign exchange, shrinkage in the market and in the import and export trade, drops in prices of raw materials and finished products, and so on. In this situation, a new form of international trade, called reciprocal trade, has begun to develop. Some countries, particularly the developing countries, have achieved certain results in utilizing reciprocal trade, in which goods are mutually exchanged on a barter basis, to attack trade protectionism and promote their own exports.

Reciprocal trade is a development of trade on a barter basis. The characteristic of such trade is that it is based on equality and mutual benefit, and is mutually conditional upon import and export, that is, "if you want to sell me your products, you will have to purchase the same amount of my products." The exchange range of such trade is wide and its method flexible. Of the five countries of ASEAN the Indonesian Government formulated new policies in 1982, which stipulated that imports exceeding \$750,000 should be paid for with exports of Indonesian products (not including oil and natural gas products) of the same value. The Malaysian Government established a special committee to study the issue of reciprocal trade, intending to exchange rubber, tin, and palm oil for coal, chemical fertilizer, metals, and building materials. Malaysia trades with Mexico and with countries of South Asia and East Europe on a reciprocal basis. Thailand and the Philippines are also exchanging maize, cassava, and sugar with the Soviet Union and Romania on a reciprocal basis.

Due to the shortage of foreign exchange and the intensification of trade contention, a number of developed countries have also had to accept and practice reciprocal trade. For instance, while purchasing military equipment, countries such as Australia, Canada, Belgium, the Netherlands, Switzerland, New Zealand, and so on demanded that the seller buy appropriate amounts of their export commodities. At present, it is estimated that reciprocal trade makes up approximately 30 percent of the total volume of trade in the world.

The rise and development of reciprocal trade has brought certain new factors to the international multilateral trade system formed after World War II and based on settling accounts in currency. Instead of multilateral contention and other factors, reciprocal trade emphasizes mutual benefit and exchange and balance of trade, so that the unsalable commodities and products which have suffered from falling prices of some developing countries, particularly raw materials and primary products, can be sold at reasonable export prices. A number of developing countries have attached importance to reciprocal trade because it ensures the export income from primary products and promotes the exports of the developing countries which are heavily in debt and which have exhausted their foreign exchange. However, the developed countries hold that reciprocal trade interferes with the existing international trade and price system, and forces the industrial countries to accept part of payment on a barter basis. In fact, these products purchased are usually not needed by the industrial countries; therefore, they have to seek further markets in the Third World, which is a heavy burden for the developed countries. Nevertheless, the developed countries, confronted with an economic crisis, have also admitted that reciprocal trade promotes world trade.

The multinational corporations have also tried to squeeze themselves in to reciprocal trade because they can earn a considerable amount of commission by utilizing their global organizations and capability to control commercial information and manipulate reciprocal trade. As a new form of international trade, the role and influence of reciprocal trade still need to be proved through practice. However, in the grim economic situation in the world at present, it is unquestionable that the reciprocal trade selectively carried out by the developing countries to strengthen their export capability and enhance economic and trade cooperation between the developing countries will play a certain positive role.

XINHUA VIEWS COMPLICATIONS IN USSR-WEST TRADE

OW231916 Beijing XINHUA in English 1852 GMT 23 May 83

["Roundup: Ups and Downs in Soviet-West Trade" -- XINHUA headline]

[Text] Moscow, May 23 (XINHUA) (by correspondent Wang Chongjie) -- On the eve of the summit of seven Western countries scheduled for late this month in Williamsburg, Virginia, the Soviet news media have strongly accused the United States of attempting to prevent West European countries, Japan and Canada from expanding economic relations with the Soviet Union. This indicates a strong Soviet concern over the issue.

Soviet trade volume with the West last year accounted for 3.7 percent of its total foreign trade volume to reach 37.7 billion rubles (0.72 ruble in equal to one U.S. dollar). And what the Soviets have gained from such trade in economy, politics and military affairs is far beyond what the figures reveal.

At present, Moscow's trade volume has topped 1 billion rubles with each of 11 countries: 6.6 billion rubles with West Germany, 5.4 billion rubles with Finland, 4 billion rubles with Italy, 3.7 billion rubles with Japan, 3.5 billion rubles with France, 2.2 billion rubles with the United States, 1.9 billion rubles with Holland, 1.6 billion rubles each with Belgium and Britain, 1.4 billion rubles with Canada and 1.2 billion rubles with Austria.

The Soviet-West trade volume expanded in the 1970s -- during a so called "decade of detente. "Soviet trade volume with the industrialized capitalist countries increased by 5.7 times from 1970 to 1980.

Two factors helped the expansion of such trade. The financial and economic circles in the West generally held at that time that by providing favorable loans, advanced technology and cheap grain to Moscow, the West could curb Soviet military buildup and overseas expansion.

Meanwhile, the Soviet Union made it an important component of a massive "peace offensive" to expand its economic cooperation with the West. So it made use of the contradictions among Western countries to boost its economic and military might on the one hand, and increased its influence over the West through economic contacts on the other.

And what the Soviets did in the 1970s also ran counter to the wishes of the West. The Soviet Union was not to be "curbed" -- a telling change was that the economic gap between Moscow and Washington and the gap in military buildup was greatly narrowed -- and in 1979 the USSR sent its tanks and troops into neighboring Afghanistan.

Through the end of 1970s into 1980s, the United States strengthened its arms race and its contention with the Soviet Union.

NATO adopted in late 1979 a revised armament plan which called for the deployment of U.S. medium-range missiles in Western Europe. Meanwhile Western countries imposed sanctions in loans, trade, science and technology in the wake of the Soviet invasion of Afghanistan. Western industrialized countries have cut their volume of trade with the Soviet Union in the last two years. Their economic sanctions have also caused some loss in the Soviet economy. However, differences are apparent among the Western countries in attitude and execution of economic sanctions against the Soviet Union. The United States and Western European countries had fierce quarrels over the Trans-Siberian gas pipeline project.

The Soviet Union has chiefly exported to the West energy and other raw materials and imported machinery and agricultural products. The arms race between Moscow and Washington has entered a new phase. Now the controversial Euromissile problem, the continuing economic slump in the West, the aggravating Soviet economy and many other issues have made the Soviet-West trade even more complicated.

PRC ATTENDS TUNNELING GROUP SYMPOSIUM IN WARSAW

OW201143 Beijing XINHUA in English 0722 GMT 20 May 83

[Text] Warsaw, May 19 (XINHUA) -- More than 200 tunnel specialists and engineers from 25 countries gathered here May 16-19 to exchange experience on the theory, design and construction of underground projects.

At the ninth annual assembly of "the International Tunneling Association," the symposium focused its discussion on underground projects, population and environment.

With the swift development of modern industry and the expansion of urban areas, major cities the world over are faced with problems of increasing traffic jams and lack of space. As a result, underground space utilization has become a growing international concern both in theory and practice. During the conference, 50 academic papers were read, five of which were from China.

On May 18, the executive committee of the conference elected U.S. Representative J. Lemley its chairman. Gao Qingqu, head of the Chinese delegation and professor of China's Southwest Communications University was elected member of the committee along with representatives from Poland, Spain and Japan. The conference decided to hold an executive committee meeting as well as a symposium in Beijing, China, in October 1984. The 10th annual assembly of the association is to be held in Caracas, Venezuela, next May.

INTERNATIONAL GEOLOGY CLASS OPENS IN SHANDONG

OW201053 Beijing XINHUA in English 0713 GMT 20 May 83

[Text] Qingdao, May 20 (XINHUA) -- A one-month training class on sedimentology opened today in Qingdao, in China's eastern Shandong Province. Twenty geological workers from Bangladesh, Indonesia, Japan, Malaysia, the Philippines, Thailand and China are attending. Sponsored by the Preparatory Committee for the Center on Quaternary Geology in Asia and the Pacific Region, the class will deal with subjects such as the characteristics of sediment in river deltas, coastal zones and shallow seas, as well as laboratory techniques. Lectures on laboratory techniques and field trips will be given by experts from the United States, the Netherlands and China. Preparatory work on the center has been undertaken by China, the U.N. Economic and Social Commission of Asia and the Pacific and the Coordination Committee of Joint Prospecting for Mineral Resources in Asian Offshore Areas.

PRC-U.S. TRADE COMMISSION MEETING OPENS 23 May

OW231112 Beijing XINHUA in English 1100 GMT 23 May 83

[Text] Beijing, May 23 (XINHUA) -- The first session of the China-U.S. Joint Commission on Commerce and Trade opened in the Great Hall of the People here this afternoon.

Chinese State Councillor and Minister of Foreign Economic Relations and Trade Chen Muhua and U.S. Secretary of Commerce Malcolm Baldrige -- the two co-chairmen of the commission -- jointly presided over and made statements at the opening plenary meeting.

In a welcoming speech, Chen Muhua said the commission was a product of the steady growth of economic and trade relations and industrial and technical cooperation between the two countries since the normalization of relations. "It reflects the common desire of the two governments to promote bilateral economic and trade relations and industrial and technical cooperation in the spirit of the China-U.S. agreement on trade relations," she said. A working outfit with a fairly extensive scope of responsibilities, Chen Muhua said, the commission undertakes to review and discuss once a year the development of economic and technical cooperation and trade relations, seek measures and methods to remove obstacles and continuously push forward the smooth development of those relations and cooperation.

The meeting was attended by the entire membership of the Chinese and American delegations as well as observers from China's state planning, economic, scientific and technological commissions and foreign affairs, industrial, financial and monetary departments. U.S. Ambassador to China Arthur Hummel was also present.

STATE DEPARTMENT ANNOUNCES F-16 SALE TO ISRAEL

OW210802 Beijing XINHUA in English 0712 GMT 21 May 83

[Text] Washington, May 20 (XINHUA) -- The United States has decided to sell 75 F-16 jet fighters to Israel and Congress was formally notified today of the decision, the State Department said. The announcement is believed to be a U.S. gesture of support and cooperation with Israel following its signing earlier this week of an agreement to withdraw its forces from Lebanon.

The Israeli withdrawal will not actually happen because Israel conditions its pullout on a simultaneous withdrawal of the forces of Syria and the Palestine Liberation Organization, both of which have rejected the Israeli-Lebanese agreement reached through U.S. mediation. The United States has supported such insistence of Israel.

While the timing of this notification is related to the Israeli agreement with Lebanon, the State Department said, the decision on the sale itself "reflects our long-term commitment to maintain Israel's qualitative military edge in the region." The sale of the advanced fighters would double Israel's force of the aircraft. The decision was also made in the light of the Soviet military buildup in the region. "Our heightened concern about the Soviet challenge in the region, particularly the Soviet supply of the SA-5 integrated air defense system to Syria, makes it timely for us to send this notification to Congress now," the statement said. The decision for the sale was approved over a year ago but was held up after Israel invaded Lebanon last June. Delivery of the jet fighters is scheduled to begin in 1985.

PRC, USSR HOLD 'MARATHON' BEIJING CHESS MATCH

OW202156 Beijing XINHUA in English 1855 GMT 20 May 83

[Text] Beijing, May 20 (XINHUA) -- The visiting Soviet chess grand masters Youri Balachov and Nino Gourieli played their first of five series in Beijing with their Chinese counterparts at the Beijing Indoor Stadium today. In a "marathon" contest between the Soviet woman grand master Gourieli and Liu Shilan, 21, Asia's first woman chess grand master, Liu was defeated by Gourieli after more than seven hours of play. Liu Wenzhe, 43, China's international master, drew with Balachov after four hours of competition. The visitors arrived in Beijing yesterday after playing in Hangzhou and Shanghai. In four contests in the two cities, Balachov won one and drew three while Gourieli won three and drew one. The visitors will meet their Chinese counterparts tomorrow and are scheduled to leave for home on May 27.

NEW SOVIET CARRIER SAILS INTO MEDITERRANEAN

OW161313 Beijing XINHUA in English 1232 GMT 16 May 83

[Text] Ankara, May 16 (XINHUA) -- The new Soviet aircraft carrier "Novorossiysk" yesterday sailed past the Bosphorus Strait of Turkey from the Black Sea towards the Mediterranean Sea. The 38,000-ton carrier is equipped with a variety of long-range anti-ship missiles and guns in addition to the unique vertical take-off facilities. The "Novorossiysk", accompanied by "Kashin" and "Kotlin" class destroyers, is the third carrier of the "Kiev" class to pass through the Bosphorus Strait. The first carrier "Kiev" passed the strait in July 1976, and the second "Minsk", in February 1979.

SOVIET SCIENTISTS END PEACE APPEAL CONFERENCE

OW201027 Beijing XINHUA in English 0757 GMT 20 May 83

[Text] Moscow, May 19 (XINHUA) -- The All-Union Conference of Soviet Scientists for Nuclear Disarmament and Peace concluded its three-day meeting here today with an appeal to the world scientists to wage united struggles against the nuclear threat. The appeal pointed out that the destructive power of accumulated nuclear arms is close to the dangerous limits and it is continuing to grow. The appeal warned that "the nuclear arsenals already hold arms with a total yield of more than 50,000 megaton tnt" compared with some 10 megatons of explosives used in all wars of the world. However, it failed to mention the fact that it is precisely the Soviet Union and the United States that possess enormous quantity of nuclear arms and that they are engaged in keen nuclear arms race. While attacking the U.S. Government's program of building an anti-missile system, the appeal expressed support for the Soviet position on the European medium-range missile problem. Coinciding with the resumption of the Soviet-U.S. Geneva talks on the medium-range missiles, the conference was believed to be part of a new Soviet "peace offensive." It was attended by some 500 scientists from the Soviet Union and many other countries. Boris N. Ponomarev, secretary of the Central Committee of the Communist Party of the Soviet Union, spoke at the conference.

WEN HUI BAO INTERVIEWS CAAC CHIEF ON HIJACKING

OW231501 Shanghai WEN HUI BAO in Chinese 17 May 83 p 1

[By reporter Chen Peiyuan]

[Text] Beijing, 16 May (WEN HUI BAO Special Dispatch) -- Shen Tu, director general of the Civil Aviation Administration of China (CAAC), talked to Chinese reporters after his press conference here today, which was attended by both Chinese and foreign correspondents. He also answered questions raised by this reporter on the hijacking incident.

Question: According to reports from foreign news agencies, the CAAC's policy toward hijackers is to subdue them by force, which makes the safety of passengers a secondary consideration. Is this true?

Answer: This is completely at variance with the facts. As is well known, the CAAC has always regarded "safety first" as the goal of its service. Our crews give first consideration to the safety of passengers. They will consider taking appropriate measures to subdue would-be hijacking criminals only when they are completely certain about the safety of the flight. The forced landing of CAAC airliner No 296 in South Korea fully demonstrated that the safety of passengers is always the CAAC's primary concern.

Question: It has been said that the CAAC has had many hijacking incidents. How many? Are security personnel on CAAC airliners?

Answer: There have been very few hijacking incidents in China in the last 30 years and more. This is the second hijacking incident to take place in recent days and this is, I believe, well known to press circles. There are security personnel on all CAAC airliners. They have been doing their best to ensure the safety of flights. Of course, the CAAC is still perfecting security check systems.

Question: The CAAC work group which you led made a trip to South Korea, where the two sides cooperated fairly well. As a result, there have been various conjectures in the international media. Is there anything you want to clarify?

Answer: The CAAC work group went to South Korea purely for the purpose of appropriately handling the hijacking incident. The contact between the two sides was also conducted in strict accordance with the provisions of international conventions. Concerning the conjectures and arguments in the international media, that is entirely a matter of the international media. The memorandum signed by the two sides is merely a document of record for resolving the hijacking incident.

Question: What was the DPRK's reaction to the contact between the CAAC work group and the relevant authorities of South Korea?

Answer: China and the DPRK are two close, friendly socialist countries. The two peoples share a common destiny in the protracted joint struggle. The Chinese people place extreme value on their great friendship with the Korean people and unswervingly dedicate themselves to the strengthening of this great friendship.

Question: What legal actions will China take against the six hijacking criminals detained in South Korea? Will China send legal experts to South Korea?

Answer: Zhuo Changren and five other armed thugs committed theft, abscondence, and other crimes before they hijacked the plane and thus seriously violated China's criminal law. We still demand that the South Korean authorities turn over the six criminals to China's judicial organ for punishment in accordance with the law. Armed hijacking of a civil airplane is recognized internationally as a serious crime and must be punished by law. However, since the accident, the Taiwan authorities have been maneuvering everywhere and putting pressure on the South Korean authorities to let the hijackers go to Taiwan. This was a despicable act of trampling on international civil aviation conventions and one which runs counter to world public opinion and is very unpopular.

DPRK PEOPLE'S COMMITTEE FETES WU XUEQIAN 23 MAY

OW231852 Beijing XINHUA in English 1832 GMT 23 May 83

[Text] Wonsan, May 23 (XINHUA) -- The Kangwon Provincial People's Committee of DPRK gave a banquet here this evening in honor of the visiting Chinese Foreign Minister Wu Xueqian and his party.

In their speeches, Chairman of the Kangwon Provincial People's Committee Choe Pik-wun and the Chinese foreign minister expressed the hope that the militant friendship cemented with blood by the Korean and Chinese peoples will constantly develop.

Present at the banquet were DPRK Vice-Premier of the Administration Council and Foreign Minister Ho Tam and other high-ranking Kangwon Provincial and Wonsan City officials. Wu Xueqian and his party arrived here this afternoon.

DOCUMENTARY FILM MARKS DPRK-PRC FRIENDSHIP

OW231550 Beijing XINHUA in English 1348 GMT 23 May 83

[Text] Pyongyang, May 23 (XINHUA) -- A documentary film named "Blood-Cemented Korea-China Friendship" is being screened here.

The film records the struggle waged by the Korean and Chinese peoples against the Japanese and American aggressors from the 1920s to 1950s. Scenes in the film prove that the Korea-China friendship was nurtured by the Korean people's great leader Kim Il-song and the Chinese people's great leader Mao Zedong.

In the film, spectators can see a monument in Pyongyang to mark the exploits of the Chinese volunteers in the war against U.S. aggression in the 1950s and a bronze statue of Comrade Zhou Enlai in the east coastal city of Humhung to mark his contribution to the development of the Korea-China friendship.

The film also records the scenes of the visit to Korea by Comrades Deng Xiaoping and Hu Yaobang and the visit to China by Comrade Kim Il-song last year.

PRC, JAPAN CONCLUDE CONSTRUCTION LOAN ACCORDS

OW231300 Beijing XINHUA in English 1159 GMT 23 May 83

[Text] Beijing, May 23 (XINHUA) -- China and Japan have concluded agreements involving loans of 231 billion yen (about one billion U.S. dollars), an official of the Ministry of the Foreign Economic Relations and Trade said today.

Xing Yushu, a division chief of the ministry, said the loans are being used mainly for construction of two berths designed for 50,000-ton class vessels at a coal wharf in Qinhuangdao harbor in north China, a 300-kilometer-long electrified double-track railway line between Beijing and Qinhuangdao, a 100,000-ton class berth and a coal harbor for

berthing 25,000-ton class vessels at Shijiu Harbor in east China, a 300-kilometer-long railway line between Yanzhou and Shijiusuo in coastal Shandong Province, as well as phase one project for the Baoshan Iron and Steel Complex in Shanghai.

"This is the first time since 1949 that China will use loans supplied by a capitalist country for domestic projects," he said.

By the end of March, he said, China used loans of 100.2 billion yen, of which 96 billion yen were used last year alone.

Through international bidding, China has purchased construction machinery, loading and unloading facilities and building materials such as rolled steel, timber and cement in countries including Japan, the United States and Switzerland.

Construction in these projects is now under way. About 70,000 people take part in the four harbor and railway projects which will undertake the shipment of coal exported to Japan, and other countries in Southeast Asia and Europe.

The Japanese Government began supplying China with loans in 1979, an agreement affirmed in a joint communique in December 1979 when then Prime Minister Masayoshi Ohira visited China.

Negotiations between the two governments on the loan for 1983 started in April. The Japanese Government delegation and the Japan overseas Economic Cooperation Fund delegation have visited China and consulted on the issue.

The Chinese Government will dispatch a delegation in early June to negotiate the loan.

BEIJING PEOPLE'S CONGRESS DELEGATION IN JAPAN

OW202058 Biejing XINHUA in English 1447 GMT 20 May 83

[Text] Tokyo, May 20 (XINHUA) -- Speaker of the House of Representatives of Japan Hajime Fukuda received a delegation of the Beijing People's Congress here this afternoon.

Fukuda told the Chinese guests that he was satisfied with the development of the friendly exchanges between Tokyo and Beijing. He said that the exchanges between the two cities' legislative bodies were of great importance.

The Beijing People's Congress delegation arrived here on May 16 for a friendly visit at the invitation of the Tokyo Metropolitan Assembly. During the past few days, the Chinese guests have called on Assembly Speaker Motozi Suganuma, and Governor Shunichi Suzuki of Tokyo Metropolitan. They have also visited ports, the metro, schools, hospitals, factories and residential quarters to the warm welcome of local people.

The delegation will leave here tomorrow for a tour of Hakone, Kyoto, Osaka and other places and return home on May 25.

FRIENDSHIP GROUP CALLS ON JAPANESE COUNTERPART

OW201149 Beijing in Japanese to Japan 2130 GMT 19 May 83

[Text] The Sino-Japanese Friendship Delegation, led by Wang Shoudao, paid a visit to, and held cordial talks with, (Tokuma Utsunomiya), president of the Japan-China Friendship Friendship Association, in Tokyo on the afternoon of 18 May. At the meeting, President (Utsunomiya) said: We Japanese will never forget the history of our turning the vast land of China into a battlefield. Under the rather unstable situation of the present world, both Japan and China should act as pillars to maintain world peace. We should make efforts to promote the development of friendly relations between the two countries on the basis of our introspection of the history of past decades.

Wang Shoudao, leader of the Sino-Japanese Friendship Delegation, paid his respects for the great contributions made by President (Utsunomiya) and other friends of the Japan-China Friendship Association in promoting the friendship between Japan and China. He also said that the Japanese militarists invaded China and caused great distress for the Chinese people in the past, but that the Japanese people also suffered great damage in the past. We should learn our lesson from the past and we should not wage war but live at peace with each other in the generations to come.

Meets Diet Speakers

OW201139 Beijing in Japanese to Japan 1000 GMT 19 May 83

[Text] On 18 May, the presidents of the Houses of Representatives and of Councillors of Japan separately received, at their official residences, and held cordial talks with, the Sino-Japanese Friendship Delegation led by Wang Shoudao, vice chairman of the National Committee of the Chinese People's Political Consultative Conference.

Hajime Fukuda, president of the House of Representatives stated that Japan is willing to help China with the completion of its modernization programs and that this wish of the Japanese people will not change in the future.

Masatoshi Tokunaga, president of the House of Councillors, spoke on his impressions of his visit to China last year as head of the delegation of the House of Councillors. He said that he was delighted to note that the Chinese people worked hard to develop the country's economy and make the motherland prosperous. He also wished the delegation success in their current visit to Japan.

In reply, Wang Shoudao, leader of the Sino-Japanese Friendship Delegation, said: During our current visit, we have seen with our own eyes the diligence and bravery of the Japanese people. We would like to pay our respects to the Japanese people for their devotion to the motherland.

Also present at these meetings was Wang Xiaoyun, minister of the Chinese Embassy in Tokyo.

FISHING INDUSTRY ACCORD SIGNED WITH IRAN

LD230121 Tehran IRNA in English 0930 GMT 22 May 83

[Text] Tehran, May 22 IRNA -- Iran and China signed a letter of understanding for mutual cooperation in fishing industry, it was announced Saturday. The letter was signed on Saturday following the conclusion of the visit of an Iranian delegation to Beijing. The Iranian delegation [was] led by the deputy minister of agriculture and rural development, and in charge of the state owned fishery company Mir Mohammad Sadeqi. According to the letter, China will send experts in fishing industry to Iran and Iranian students will also go to China for training in fishing industry.

EX-AFGHAN OFFICIAL DENOUNCES SOVIET POLICY

OW210153 Beijing XINHUA in English 1439 GMT 20 May 83

[Text] Islamabad, May 20 (XINHUA) -- A noted Afghan lawyer told XINHUA that the Soviet interference and violation of the legal system in Afghanistan have come to an intolerable extent. In an exclusive interview here today, Adbul Salaam Azimi, who had served as president of the Legislation Office of the Ministry of Justice before his desertion, said that the Soviet advisors are lording it over in the Departments of Justice, Education, and Religious Affairs. The Soviet advisor is always lecturing and ordering do's and don'ts in the Ministry of Justice.

During meetings to enact decrees and regulations, the justice minister of the Kabul regime had to take his cue from the Soviet advisor sitting on his side. Nothing will be put into effect without the advisor's consent. The advisor, he continued, interfered rudely in the law-making system of his country.

Actually Afghan laws were drafted in the Russian language, he noted, adding that Afghans had no right to amend, still less to object, to any article or clause of the Russian-drafted laws.

The Afghan lawyer said that the Soviets have seriously violated the existing laws. The principles formulated for the security of private property were not followed and instead the civilian houses were stormed and confiscated at will without any compensation to the residents.

The Recruitment Act is not respected either. Regardless of the principle of conscripting eligible people, they have recruited people of any age into the Army by force.

Dealing with the deteriorating situation in Afghan education, Abdul Azimi, one-time chancellor of Kabul University, said that the number of students enrolled in Kabul University has declined from 13,000 to 5,000. Very few students are studying in the Faculty of Islamic Law, with only one in the fourth grade. Out of 1,000 professors, only one-third remained on the campus and the rest deserted if not killed.

He said, almost every Afghan family has lost one, two, or even more of the members, either having been killed or fled their homeland. The Afghans, old and young, harbor bitter hatred for the Russians and disgust at their propaganda.

HEALTH MINISTER ENDS UK TRIP, LEAVES FOR FRG

OW241116 Beijing XINHUA in English 0733 GMT 24 May 83

[Text] London, May 24 (XINHUA) -- Chinese Public Health Minister Cui Yueli has shown interest in Britain's primary health care, preventive medicine and rehabilitation of old hospitals during his visit in Britain.

During his 10-day visit which concluded today, Cui Yueli and his health delegation visited hospitals, medical instruments factories and pharmaceutical companies in London, Cambridge, Chester and other places, and met with Parliamentary Under-Secretary of State of the Department of Health and Social Security Lord Trefgarne and other high-ranking officials. Medical workers of the two countries found such contacts and exchanges beneficial to both. They hoped medical cooperation between the two countries would be strengthened and more visits exchanged by medical workers of the two countries.

Cui Yueli and his party arrived here on May 15 and left for the Federal Republic of Germany today.

JI PENGFEI MEETS, FETES BELGIAN CP GROUP 23 MAY

OW231540 Beijing XINHUA in English 1353 GMT 23 May 83

[Text] Beijing, May 23 (XINHUA) -- Ji Pengfei, Standing Committee member of the Central Advisory Commission of the Chinese Communist Party (C.P.C.) and state councillor, met and hosted a banquet this evening in honor of the delegation of the Central Committee of the Belgian Communist Party led by Louis van Geyt, chairman of the party.

Welcoming the delegation, Ji Pengfei expressed his belief that the delegation's visit to China and the talks to be conducted between the two parties would promote mutual understanding and friendship between the two parties and helpful to the enhancement of friendly relations on the basis of Marxism and complying with the principles of independence, complete equality, mutual respect and non-interference in each other's internal affairs.

Van Geyt said, "Looking forward to the talks trustfully, I am sure we have many things in common and can exchange views extensively so as to promote mutual understanding," he said.

Present on the occasion were Qiao Shi, alternate member of the Secretariat and head of the International Liaison Department of the C.P.C. Central Committee; and Qian Liren and Feng Xuan, deputy head and adviser to the International Liaison Department.

The Belgian party delegation arrived here at noon today at the invitation of the Chinese Communist Party Central Committee.

YAO YILIN MEETS FRENCH BANK DELEGATION

OW201233 Beijing XINHUA in English 1219 GMT 20 May 83

[Text] Shenzhen, May 20 (XINHUA) -- Liang Xiang, mayor of Shenzhen in Guangdong Province, has once again expressed the hope to expand the city's cooperation with foreign banking institutions.

He was speaking at the opening ceremony of a representative office of the National Bank of Paris (Banque Nationale de Paris) in Shenzhen, a special economic zone where special policies are followed to attract Hong Kong, Macao, Overseas Chinese and foreign investment.

Liang Xiang extended good wishes to the Shenzhen office of the National Bank of Paris. "We'll be glad to see that the Shenzhen offices of this and other foreign banks may some day develop into full-fledged branches," he said.

Jacques Wahl, general manager of the French bank, in his speech expressed his bank's willingness to serve Shenzhen's needs in industrial development and technical transformation.

The French banker and his party were met by Vice-Premier Yao Yilin in Beijing May 16.

YAO YILIN MEETS SPANISH AUDITING GROUP 21 MAY

OW211423 Beijing XINHUA in English 1242 GMT 21 May 83

[Text] Beijing, May 21 (XINHUA) -- Vice-Premier Yao Yilin met and had a friendly conversation here today with Jose Maria Fernandez Pirla, president of the Spanish Auditing Tribunal, and his colleagues.

Present were Qi Tian, leading official of the preparatory group for an auditing body to be established in China, and Antonio Segura-Moris, charge d'affaires ad interim of the Spanish Embassy in Beijing.

ENVOY PRESENTS CREDENTIALS TO GREEK PRESIDENT

OW191240 Beijing XINHUA in English 1224 GMT 19 May 83

[Text] Athens, May 19 (XINHUA) -- The new Chinese Ambassador to the Hellenic Republic Zhuang Yan presented his credentials to the President of the Republic Constantine Karamanlis here this morning.

After the ceremony, President Karamanlis had a cordial and friendly talk with the new Chinese ambassador.

The Chinese ambassador met Greek Minister of Foreign Affairs Ioannis Kharalambopoulos yesterday.

MALTA'S MINTOFF RECEIVES NEW PRC AMBASSADOR

OW231318 Beijing XINHUA in English 1149 GMT 23 May 83

[Text] Valletta, May 22 (XINHUA) -- Prime minister of the Republic of Malta, Dom Mintoff, received the new Ambassador of the People's Republic of China to Malta Hua Renqin and had lunch with him in his countryside villa.

Mintoff held cordial talks with the Chinese ambassador on ways to further strengthen the economic cooperation between the two countries.

Senior Deputy Prime Minister and Minister of Labour and Social Service Mifsud Bonnici and Minister of Foreign Affairs Alex Sceberra Trigona were also present.

ROMANIAN JOURNAL REFUTES SOVIET CRITICISM

HK231421 Beijing RENMIN RIBAO in Chinese 18 May 83 p 7

[Report: "Romanian Literary Weekly Refutes Criticism by Soviet Literary Journal"]

[Text] The 12 May issue of the ROMANIA LITERARA weekly has published an article by a Romanian literary critic Pompiliu Marcea, which refuted the criticism recently launched by the Soviet LITERATURNAYA GAZETA against a Romanian novel, "Fist and Palm." The hero of the novel "Fist and Palm" was a department head of the Romanian Ministry of Education. In 1957, he headed a delegation of higher education to visit Moscow and Leningrad. In describing the changes which the cities had undergone over the years, he made a comparison between what he heard and saw with he had known before from Soviet literary works about the places. On 4 May this year, the Soviet LITERATURNAYA GAZETA published an article by Pimen Buyanov which criticized "Fist and Palm," complaining that the novel had uglified the Soviet Union and distorted the image of Soviet soldiers, and that the characters in the novel "opposed history with their fists."

In his article entitled "Oppose the Truth With Scissors," Marcea pointed out that Buyanov "just clipped out sentences from the novel and then rearranged and linked them together according to his own needs, thus forcing upon the novel a harmful meaning which did not in fact exist." Here is one of the examples cited by the article. In the novel, the hero "walked out from a deluxe hotel in Leningrad, and saw some exhausted people, poorly dressed in grey, walking with heavy steps and looking overworked." Buyanov quoted this sentence, just ignoring what the hero said immediately afterward -- "It would be really absurd if we turn a blind eye to the fact that the most terrible catastrophe in the human history just happened 12 years ago, for which the Soviet people paid formidable price. Can we ignore the tremendous losses and the wounds which the people are suffering?" Marcea said: Since Buyanov had mentioned the history of Romania in his article, he should have kept in his mind a basic truth, that "we do not have to ask anybody to instruct us how to interpret and write our own history." "This history should only be written by the Romanian people themselves in their long struggle for national existence, freedom, independence, and the right to have control over the destiny of their own country, in their arduous labor full of revolutionary passion, and in the course of building the free and dignified socialist society." "We will resolutely and furiously oppose all attempts to intervene in our struggle of writing our own history." "No people can deny the truth of history with fists, cannons, tanks or any other weapons. The truth of history is the most powerful thing in the world. Anyone, including professionals, who tries to tamper with history, is doomed to fail." At the end, Marcea requested the Soviet LITERATURNAYA GAZETA publish his article and reprint the full text of those sections of the novel of which some sentences were quoted in Buyanov's article so as to show that it is true to the original and he suggested that the journal should let the readers judge and think for themselves, and should establish a discussion on this novel between Romanian and Soviet critics.

Some foreign news agencies and newspapers have also reported this dispute between Romania and the Soviet Union over "Fist and Palm." On 7 May, VJESNIK of Yugoslavia published a commentary on this issue entitled "An Unusual Criticism From Moscow," which wondered why the Soviet Union mentioned at this moment this Romanian novel which had been published 2 years ago and waged an open attack on it. Based on all evidence, the commentary said, it could be sure that it was because Romania insisted that the CEMA should tolerate a higher degree of flexibility and maintain freer and more equal economic relations. The commentary pointed out that it was in the face of a very unfavorable international situation which might become more complicated that the Soviet Union launched the attack on Romania; and, this action of the Soviet Union fitted in exactly with some people's wishes.

MAURITIAN PRIME MINISTER DEPARTS 23 MAY

OW231532 Beijing XINHUA in English 1444 GMT 23 May 83

[Text] Beijing, May 23 (XINHUA) -- Mauritian Prime Minister Aneerood Jugnauth, Mrs Jugnauth and the government delegation the prime minister is leading left here by special plane to visit Shanghai this morning. The Mauritian guests were accompanied by Qin Zhongda, minister of chemical industry, and Wen Yezhan, vice-minister of foreign affairs.

Premier Zhao Ziyang bade farewell to Prime Minister and Mrs Jugnauth at the Diaoyutai Guest House. He hoped them to visit again. The Mauritian prime minister thanked the Chinese Government for the warm hospitality.

This evening, the Shanghai People's Government hosted a banquet in honor of Prime Minister and Mrs Jugnauth and his party. Both Mayor of Shanghai Wang Daohan and Prime Minister Jugnauth proposed toasts to the new development of friendship and cooperation between China and Mauritius.

This afternoon, the Mauritian guests visited the Fudan University where they were warmly welcomed by teachers and students. [sentence as received]

FOREIGN MINISTRY SPOKESMAN ON LEB. ESE SITUATION

OW240756 Beijing XINHUA in English 0740 GMT 24 May 83

[Text] Beijing, May 24 (XINHUA) -- China will consistently oppose Israeli expansion and aggression and firmly support the just struggle of the Palestinian and other Arab peoples to restore their lost territories and national rights, a spokesman for the Chinese Foreign Ministry said here today.

On the Lebanon-Israel troop withdrawal agreement, Qi Huaiyuan, Information Department director of the Chinese Ministry of Foreign Affairs, said at a press briefing that China holds that Lebanon's independence, sovereignty and territorial integrity should be respected. All the Israeli troops should be withdrawn unconditionally before the withdrawal of other foreign troops, he noted.

Qi Huaiyuan said he hoped that the Arab countries will set store by the overall situation, strengthen their unity and properly solve the problems within the Arab world through consultations.

U.S. PLEDGES TO HELP LEBANON ON TROOP WITHDRAWAL

OW241106 Beijing XINHUA in English 1100 GMT 24 May 83

[Text] Beirut, May 23 (XINHUA) -- The United States today promised to provide as much help as possible for Lebanon to achieve its goal of getting all foreign troops out of its territory.

In a letter to Lebanese President Amin al-Jumayyil, U.S. President Ronald Reagan claimed the Lebanese-Israeli accord as the first step in effecting a withdrawal of the Israeli and other foreign troops from Lebanon.

Meanwhile, U.S. special envoy Philip Habib, who arrived here from Israel yesterday, continued his talks with Lebanese Prime Minister Shafiq al-Wazzan and other political leaders today. Immediately after his arrival last night, he briefed Al-Jumayyil on his visits to Saudi Arabia, Israel and Egypt.

Radio Beirut yesterday quoted well informed sources as saying that "the United States is conducting contacts behind the scenes to facilitate the implementation of the (Lebanese-Israeli) agreement." "The new U.S. move includes some Arab states, Europe and even the Soviet Union," the radio reported.

Prime Minister al-Wazzan also had a two-hour meeting with Soviet Ambassador Aleksandr Soldatov today. He said after the meeting that Lebanon believes the Soviet Union can play an effective role in Lebanon at this stage. At the same time, Soldatov said his country stands for the unconditional withdrawal of Israeli forces and the withdrawal of all foreign troops from Lebanon.

XINHUA ON DISPERSAL OF PALESTINIAN FORCES

OW221822 Beijing XINHUA in English 1530 GMT 22 May 83

[Text] Amman, May 21 (XINHUA correspondent Rui Yingjie) -- The Lebanon-Israel troops withdrawal accord provides that the Palestinian troops stationed in Lebanon should withdraw as well. But where can the Palestinian troops go, now that their homeland is in the hands of the Israelis?

Most of the Arab countries are in favor of a pull out by all foreign troops from Lebanon in order to restore the country's sovereignty and territorial integrity. As the invader, the Israelis should have unconditionally withdrawn from the Lebanese soil long ago. The Syrian troops, too, can return to their own country if they are willing to. However, the homeless Palestinian soldiers simply have no place to withdraw to.

The 10,000 men of the Palestinian Liberation Organization (PLO) evacuated from Beirut last August are now scattered in seven Arab countries. And to withdraw the six or seven thousand PLO soldiers in Lebanon's Al-Biqa' Valley will again be a transfer of PLO men from one Arab country to some others. It is learned that U.S. envoy Philip Habib is trying to persuade certain Arab nations into accepting them. Even if he makes it, it is still no solution of the Middle East problem.

As a matter of fact, the question of where should the Palestinians go was already answered last September by the Arab Fes summit, which called for the withdrawal of Israelis from the occupied Palestinian territory, so as to enable the Palestinians to return to their homeland and set up their own state.

Both Israel and the United States opposed the Fes resolution. Instead of pulling out of the occupied Palestinian land, Israel claimed that "Jordan is the homeland of the Palestinians." In a very similar tone, U.S. President Ronald Reagan declared that the Palestinians could only be allowed to have self-rule in association with Jordan. The Reagan proposal just can't work. The collapse of the half-year-long negotiations on the establishment of a Palestinian entity linked with Jordan is proof.

At present, some Arab countries are cautious about the Lebanon-Israel agreement, not because they do not support the idea of a clean evacuation of all foreign troops from Lebanon but because the rights of the Palestinians are once again being neglected. It remains true that the Palestine issue is still the crux of the Middle East problem. As long as it is neglected, there can be no lasting peace and stability in that region.

SUDANESE PRESIDENT ON ECONOMY, PRC TIES

OW231932 Beijing XINHUA in English 1912 GMT 23 May 83

[Text] Khartoum, May 23 (XINHUA) -- Sudanese President Ja'far Muhammad Numayri has stressed the development of national economy and South-South cooperation in an interview with XINHUA on the eve of the 14th anniversary of "May 25" revolution.

In the interview which was held on May 21, President Numayri pointed out in the 14 years since the "May 25" revolution, Sudan has made big progress in developing the national economy. He said, "Before the May 25 revolution, the people's productive labour was mainly limited to backward agriculture and livestock farming. But at present, we have established a reliable economic foundation and attained self-sufficiency in many basic goods. Export volume is also increasing."

Numayri listed important achievements in agriculture, industry, transport, culture and education. He said the project of opening 400,000 feddan (one feddan equals 1.038 acres) irrigated farm land has been completed. It is estimated that within five years, the country will produce enough wheat for its own consumption. With an annual capacity of 400,000 tons, the Kenana sugar refinery has become the biggest of its kind in Africa and the Middle East. In the 14 years, Sudan has extended its highway network from more than 70 kilometers to the present several thousand kilometers. And now one million square miles of its territory has been covered by TV and broadcasting networks.

The president emphatically pointed out that economic development requires attention to the cultivation of qualified personnel. He said his government combines education with the requirement of national development. There are now five colleges and several thousand primary and middle schools in the country as against only one college and dozens of schools before revolution.

However, President Numayri pointed out, Sudan has also met a lot of difficulties on its road of national economic development. Price increases for petroleum products and industrial goods and price cuts for raw materials and farm produce in the world market brought a great impact on Sudan's imports and exports. "But, these difficulties have not blocked the progress of our development," he added. He said that the South-South cooperation among the developing countries should be strengthened. These countries share similar conditions and problems so the ways they seek to solve these problems will become important and will have mutual influence he said.

But he pointed out, the South-South cooperation does not exclude cooperation between the developing and developed countries, which forms an essential basis for the establishment of a new international economic order. The advanced countries should provide technology and experience to the developing countries instead of selling them at prices higher than they are able to pay, he said.

Sudan is making efforts to help extend the political support among the Arab and African countries into the economic and cultural fields, he said. He also confirmed that he will attend the summit of the Organization of African Unity to be held next month. He said China-Sudan friendship is reflected in many ways including the agricultural and fishery projects built with China's aid and their mutual support in their common struggles.

XINHUA REVIEWS OAU ROLE IN AFRICA'S LIBERATION

OW231556 Beijing XINHUA in English 1332 GMT 23 May 83

[Text] Beijing, May 23 (XINHUA correspondent) -- When the Organization of African Unity (OAU) observes its 20th birthday, Africa, which the imperialists used to call the "dark continent," has become a land full of vitality.

Leaders of 31 independent African countries proclaimed at Addis Ababa on May 25, 1963, the founding of the organization. Since then the OAU has been playing an important role in pushing forward the continent's liberation cause and promoting cooperation among African countries.

In response to the organization's call for the "elimination of colonialism in all its forms," the African people have succeeded in overthrowing the colonial rule. In the 20 years since the founding of the OAU, 19 more African countries have become its members after winning their independence.

Apart from South Africa and Namibia, the task of fighting for political independence in Africa has been basically fulfilled. With 50 African countries exerting a powerful influence in the Non-Aligned Movement and international institutions, Africa has become an important force in the world.

To promote unity and cooperation among African countries is the OAU's lofty aim. On the initiative of the OAU, mutual political support and economic cooperation have been growing among the African states.

Set up in 1974 and 1975 in succession, the six-nation economic community of West Africa and the 16-nation economic community of West African states have made headway in promoting economic cooperation among their member states. Within the two economic organizations, the implementation of free trade and gradual abolition of tariffs have resulted in a marked increase in the volume of trade. A grand plan of over 2,600 projects is under way to promote the development of agriculture, livestock raising and water conservancy.

In eastern and southern Africa, nine countries organized the Southern African Development Coordination Conference in 1980. The organization has given priority to the development of the region's communications network and undertaken over 20 projects.

At the end of 1981, a preferential trade area for 18 eastern and southern African countries was established to promote regional economic cooperation.

In the central part of the continent, the heads of state of 11 countries have decided to establish an economic community of central African states.

In addition, the establishment of the Economic Community of the Great Lakes Countries, the Authority of the Basin of Niger and the Organization for the Development of the Senegal River and other organizations grouping neighboring countries have further strengthened cooperation among African countries.

The convocation of the first OAU economic summit meeting in Lagos in April 1980 indicated that the African countries have entered a new stage of economic development. The Lagos summit adopted an action program for the continent, which mapped out a magnificent goal of speeding up economic development through collective self-reliance in the next two decades.

However, the differences left over by the colonial rule still affect the relations between some African states while outside interference adds fuel to the flames of conflict.

Believing that the differences should be settled through peaceful means, the OAU has made painstaking efforts to mediate the disputes between African countries.

Despite its failure in settling the Western Sahara and Chadian issues last year, the OAU has set up special mediation committees to seek solutions. With the efforts of the countries concerned, the long-standing differences among Guinea, Senegal and the Ivory Coast have been removed, and the relations among Zambia, Zaire and Angola improved. Kenya, Tanzania and Uganda, on their part, are negotiating a solution to their remaining problems.

Facts show that OAU, in its 20 years of history, has been the symbol of African unity and the platform on which Africa speaks to the world with one voice.

Despite the fact that some OAU member states' differences over the Western Sahara and Chadian issues have twice postponed the convocation of the 19th OAU summit, African leaders are conducting frequent consultations to solve their differences and are making efforts to keep OAU from falling apart. Arap Moi, OAU chairman and Kenyan president, has put it aptly: Unity will make Africa strong and split will lead the continent to ruin.

ECONOMIC COOPERATION WITH BURUNDI HEIGHTENED

OW221752 Beijing XINHUA in English 1523 GMT 22 May 83

[Text] Beijing, May 22 (XINHUA) -- China today reiterated its will to expand cooperation with Burundi and other developing countries.

This came at a meeting in the Great Hall of the People this afternoon in which Chen Muhua, Chinese state councillor and minister of foreign economic relations and trade, exchanged views with a textile delegation from Burundi led by Albert Muganga, minister of commerce and industry, on ways of strengthening economic and technical cooperation.

Chen Muhua said friendship, cooperation, trade and economic relations between the two countries have been growing well since diplomatic relations were established. China-Burundi cooperation falls into the realm of South-South cooperation, which is a form of mutual help between developing countries, she said.

While striving to develop its national economy, she said, China will render assistance within its capability to other developing countries. "We will, as always, work to expand our friendship and cooperation with Burundi," Chen Muhua said.

Minister Muganga said he was satisfied with Burundi's economic cooperation with China. China is playing an important role in the economic development of the Third World and in South-South cooperation, he said.

"Many big powers are trying to split small nations while China is trying to unite with small nations and weld together the forces of people fighting oppression and exploitation," Muganga said. "We hope China will uphold this policy."

Present were He Zhengzhang, vice-minister of textile industry, Tian Zhidong, Chinese ambassador to Burundi, and Sylvere Gahungu, Burundi ambassador to China.

Sources say China has agreed to supply new equipment to update a textile mill with 15,000 spindles and 528 looms China has built for Burundi and help it improve its economic performance and develop new varieties. China has also constructed a hydro-electric power station and roads in this African country.

The Burundi delegation arrived in Beijing on May 20. Minister Muganga is scheduled to leave for Europe tomorrow, and the rest of the delegation will tour Beijing, Shanghai and Guangzhou before returning home.

PRC, TANZANIA PLAN TO INCREASE YOUTH CONTACTS

OW221936 Beijing XINHUA in English 1834 GMT 22 May 83

[Text] Dar Es Salaam, May 22 (XINHUA) -- China and Tanzania share the desire to strengthen cooperation and increase contacts between the young people of the two countries.

This was made clear in the discussions conducted during the Chinese youth delegation's nine-day stay here on their six-nation African tour beginning May 14.

The Chinese delegation left here today for Seychelles and after that to Madagascar, Zimbabwe, Botswana and Zambia.

CORRECTION CHANGING 'MAURITANIAN' TO 'MAURITIAN'

The following correction pertains to the item headlined "Reportage on Mauritanian Leaders Visit to Beijing," published in the 23 May China DAILY REPORT on page 11

The headline should read as follows: ...Reportage on Mauritian Leader's Visit to Beijing...(changing "Mauritanian" to "Mauritian" and "Leaders" to "Leader's")

RENMIN RIBAO ON PROMOTION, DEMOTION OF CADRES

HK201351 Beijing RENMIN RIBAO in Chinese 16 May 83 p 5

[Article by Mu Futian: "Let Us Talk About the Ascent and Descent of Leading Cadres"]

[Text] For many years it has been easy for cadres to ascend, and not so easy for them to descend. When a person is quite talented and brave in volunteering for battle and shouldering heavy responsibilities, it means that he has the virtue of dedicating himself to the service of his motherland. When a person knows himself well and is bold in descending from the leadership position, it also means that he has the virtue of dedicating himself to the cause of his motherland. Comparing the two, we know that the latter would have to be the more open-minded and far-sighted. Comparing ascending with descending, descending is, after all, more difficult.

In the final analysis, there are two forms of descending. First, a person withdraws from the leadership position because he is old and infirm. Such cases can be traced back to ancient times. Take for example Li Jing of the early Tang Dynasty. He commanded troops and became a prime minister, and he made great contributions to the dynasty. At the age of 64 he resigned "in a sincere manner" due to a foot disease. Deeply moved, Tang Taizong praised him as "being able to have a wide perception of the situation," "having a praiseworthy spirit," and "an example to learn from." On the other hand, Tang Taizong criticized officials who "held on to the posts they were not qualified for" and who "were not willing to give up their post although they suffered from illnesses and could do nothing." Communists are, of course, more open-minded and far-sighted than such people. Before and after the 12th CPC National Congress, some revolutionaries of the older generation withdrew from the leadership position. Not long ago, Ye Jianying, who enjoys high prestige and commands universal respect, declined to be a candidate for chairman of the Sixth NPC. In organizational reform in various localities, a large number of old comrades, including some principal leading comrades at the provincial level, have, of their own accord, withdrawn to the second or third line to relinquish their positions in favor of comrades who are in the prime of life. They have set a good example for the whole party.

Descending has another meaning. Some cadres are moved from a higher position to a lower one, or shifted from doing leadership work to doing ordinary work because they are not qualified for their positions, although they are not too old, or because more suitable comrades can replace them, although they still can manage to do leadership work. Such cases are seldom seen. I cannot recall when the following unwritten law began to emerge: a person cannot be transferred to a lower position until he commits mistakes. As soon as he is transferred to a lower position, he will automatically think: "What mistakes have I after all committed?" Then, those who sympathize with him will talk a lot about unfairness in handling his problem, and those who have prejudices against him will satirize him. Of course, committing mistakes may cause downgrading. But if a person is not qualified for his post and has been unable to blaze a new trail for a long time, should he not be transferred to a lower position? In China's earliest historical records "Shanghsu," there is a sentence: "Officials must be selected through examinations, dismissing the disqualified and promoting the qualified." What examinations? Examinations on talent and the ability to administer. The party Constitution drawn up at the 12th CPC National Congress stipulates that party cadres must have "the organizational ability, cultural level, and specialized knowledge to carry out leadership work." Some cadres in certain leadership posts have idled away their time for many years without committing a great mistake, but they have not accomplished anything worth mentioning.

It may be beneficial for them to be transferred to a lower position for which they are qualified so as to improve their work. Let us take an example. A person wearing a pair of shoes which are too large can only walk slowly. If the shoes are replaced with a smaller pair, he may possibly walk faster. In the Eastern Han Dynasty there was a general called Huang Fugui who did well in his work. As soon as he discovered that Zhang Huancai, a general in a lower rank, was more talented than himself, he recommended him to the imperial government and said that he was willing to be Zhang Huancai's assistant. With the approval of the imperial government the two men worked in close cooperation in safeguarding the frontier. For the country and national interests a feudal official was willing to reduce himself to a lower rank and relinquish his post in favor of someone better qualified. Is it not necessary for Communist Party members and state cadres to draw lessons from this example?

People have differing opinions with regard to ascending and descending. Those people whose brains are full of the idea of "having power means having benefits" are not worth mentioning. Comrades who have engaged in leadership work for a long time are accustomed to issuing orders from on high. Once their position is changed, they may feel uneasy. From an individual point of view, a person may feel melancholy when moved to a lower position. But, if he is a bit open-minded and starts from the overall situation and development of our cause, he will know that a large number of excellent personnel can only be rapidly promoted when some comrades are willing to be transferred to a lower position. In the course of such descending and ascending our cause will obtain new vitality and can be rapidly developed. This is where our utmost happiness and satisfaction lies.

YU QIULI ON TRAINING DUAL-PURPOSE PLA PERSONNEL

OW230141 Beijing XINHUA Domestic Service in Chinese 1216 GMT 21 May 83

[Text] Beijing, 21 May (XINHUA) -- In his speech at the all-army meeting for exchanging experience in studying scientific and cultural knowledge and in training dual-purpose personnel capable of both military and local services, Yu Qiuli, director of the PLA General Political Department, stressed that the whole Army should be determined to do a good job in grasping the work of studying scientific and cultural knowledge and training dual-purpose personnel in order to push forward the modernization and regularization of the Army.

Yu Qiuli expounded the tremendous significance of the Army's study of scientific and cultural knowledge and training of dual-purpose personnel with emphasis on three aspects:

In accordance with the historic current: Since the 3d Plenary Session of the 11th CPC Central Committee, the major point of work in the whole party has shifted to socialist modernization, and economic construction has become the central task for the whole party and for the people throughout the country. Modernization cannot be carried out without modern scientific and technical knowledge, nor can it be carried out without large numbers of personnel having cultural and specialized knowledge. At present, all fronts in the country are trying every means to train their personnel, and an upsurge in marching toward science is arising. This is a demand of the time and an irresistible historic current. The Army is a component part of society as a whole. The Army developed its study of scientific and cultural knowledge and its training of dual-purpose personnel for military and local services in order to conform with this historic current. Therefore, this development possesses a powerful vitality.

In accordance with the orientation of Army building: The 12th CPC National Congress proposed that the PLA should become not only a Great Wall of steel for the defense of the motherland but also an important force in building the socialist material and spiritual civilizations.

This is a historic task which the party has assigned to our Army in the new period, symbolizing the orientation of our Army building. In order to take up both aspects of the task, our Army must study scientific, cultural and specialized knowledge and train its cadres and fighters to be dual-purpose personnel who are able not only to fight in the battlefield but also to carry out socialist construction.

With the daily development of new modern science and technology, tremendous changes are taking place in the Army's weapons and equipment. Likewise, the fighting methods, and strategic and tactical thought are undergoing changes. To be able to organize and direct a campaign or battle, a commander must have the relevant scientific and cultural knowledge. The distance between the requirements of national defense modernization and the scientific and cultural level of the contingents of Army cadres is not a short one. We are now strengthening scientific and cultural education and training dual-purpose personnel for military and local services in order to reduce this distance, to raise the self-defense capabilities for a modern war and to enable our Army to actually become a Great Wall of steel for the defense of the motherland.

Our Army was not established purely for fighting in the battlefield. If the Army stresses only the need to defend the motherland while disregarding the construction of the motherland, and if it fails to study both categories of ability, it will divorce itself from reality and from the orientation of our Army building.

Each year nearly 1 million cadres and fighters in our Army are transferred to civilian work or retire from the Army. To enable these comrades to become capable of joining in socialist construction is an important task for the Army. Comrade Deng Xiaoping has pointed out: "Each year the Army demobilizes nearly 1 million fighters. How to enable them to bring their role into better play after they return to work in the localities is a question that also deserves emphasis. In the education of a fighter, it is necessary to make him capable of doing different categories of work and to require him to study politics, military affairs, and technology, as well as some mathematics, physics, chemistry, foreign languages, and industrial and agricultural knowledge." Doing a good job in the implementation of Comrade Deng Xiaoping's opinions and in training dual-purpose personnel capable of both military and local services contributes to national construction, Army building, and war preparedness.

In accordance with the aspirations of the broad masses of cadres, fighters and people: To study scientific, cultural and specialized knowledge is a pressing demand of the broad masses of Army cadres and fighters and a strong aspiration of the masses of people.

Many comrades hope to study cultural knowledge and master a speciality in the Army so that they will be able to make further contributions to Army building and to socialist construction after they are transferred to civilian work or retire from the Army. It is necessary to vigorously strengthen scientific and cultural education and positively train dual-purpose personnel capable of both military and local services in order to satisfy the desire of cadres and fighters to become useful personnel and the aspirations of their parents, who hope that their children will become useful personnel.

Yu Qiuli pointed out that, to do a still better job in this work, it is necessary to pay attention to the following points: 1) strengthening ideological and political work; 2) guaranteeing the fulfillment of education, training, and various other tasks; 3) adhering to seeking truth from facts and proceeding from reality; and 4) strictly implementing the policies and laws of the party and the government.

ZHANG TINGFA ADDRESSES AIR FORCE CPC COMMITTEE

HK220400 Beijing RENMIN RIBAO in Chinese 22 May 83 p 1

[Report by Li Ciyang and Cai Shanwu: "Zhang Tingfa Speaks at Enlarged Meeting of the PLA Air Force CPC Committee Standing Committee"]

[Text] "New leading bodies must take an advanced attitude toward their work. They must have scientific working methods and a good style of work. Members of these bodies must study diligently, increase their ability in the course of practice, and become learned and strategically-minded leaders." This is what Zhang Tingfa, commander of the Air Force, put forward as demands on members of new leading bodies at or above Army [jun 6511] level of the Air Force at the opening session of the enlarged meeting of the Air Force CPC Committee Standing Committee on 21 May.

The Air Force CPC Committee has completed the work of the succession of new cadres for the old in leading bodies at or above the division level. A large number of fine and energetic young and middle-aged cadres have taken up leading posts. Because of this, central leading comrades have praised the Air Force CPC Committee for implementing and realizing the intention of Military Commission Chairman Deng Xiaoping and the Central Military Commission and for resolutely taking the lead in this respect.

At the meeting on 21 May, Zhang Tingfa stressed that new leading bodies must resolutely keep in line with the party Central Committee ideologically and politically, must take an advanced attitude toward their work, and must not be contented with fulfilling their tasks tolerably. They must be full of vigor and vitality, dare to blaze new paths, have the spirit of making progress, and pay attention to efficiency and quality of work. They must often go deep among the soldiers to conduct investigations and studies in order to solve problems and must not spend all their time on meetings and documents.

Zhang Tingfa pointed out that after new cadres have undertaken leading work, they must act according to the new party Constitution and the Guiding Principles and must strictly observe party discipline and the state laws. They must not secure advantages through influence or connections. Their demands on their subordinates must first be demands on themselves. They must never do what they forbid their subordinates to do. They must become models in correcting the party's work style.

PLA TANK SCHOOL STAFFED BY CIVILIAN TEACHERS

OW201245 Beijing XINHUA Domestic Service in Chinese 0158 GMT 20 May 83

[By reporter Liu Donggen, correspondent Ma Xiaoqing]

[Excerpts] Nanjing, 20 May (XINHUA) -- The PLA Tank School experienced difficulty in finding teachers for its college courses designed to train personnel for the modernization of national defense, but 28 institutes of higher learning in 12 provinces, municipalities and autonomous regions throughout the nation immediately rendered assistance. The first group of 10 instructors, selected and sent by the institutes of higher learning in Anhui and Jiangsu, arrived at the tank school, dressed in military uniform, in late April to begin teaching.

At the end of last year, the higher authorities gave approval for the tank school to hire teachers from civilian sources. After the word got out, the school leadership quickly received more than 200 letters of recommendation and self-recommendation from Beijing, Tianjin, Shanghai, Jiangsu, Zhejiang, Anhui, Jiangxi, Heilongjiang, Gansu, Xinjiang, Yunnan, Hebei and other provinces, municipalities and autonomous regions. Early this year, the tank school sent selection groups to all parts of China, where they were warmly received by local governments, colleges and universities.

PLA AIR FORCE PROMOTES INTELLECTUALS

OW221649 Beijing XINHUA in English 0721 GMT 22 May 83

[Text] Beijing, May 22 (XINHUA) -- The Chinese People's Liberation Army Air Force has recently promoted more than 40 middle-aged intellectuals to leading posts at and above the level of army commander, according to military sources.

In addition, the sources said, over 800 college-educated officers of the Air Force have been promoted to leading posts at divisional and regimental levels since 1979.

Most of the newly promoted officers graduated from universities and colleges in and before 1966, the sources added.

Earlier this year, Yu Quili, director of the P.L.A. General Political Department and deputy secretary-general of the Military Commission of the Chinese Communist Party Central Committee, stressed that the P.L.A. should select younger officers with better education and scientific and technical knowledge from the technical corps rather than mainly from the infantry, which is the main force of the Chinese Armed Forces.

RENMIN RIBAO ON LIGHT INDUSTRY, MARKET GROWTH

HK231022 Beijing RENMIN RIBAO in Chinese 18 May 83 p 5

[Article by Zhong Xin: "Ensure Steady Growth of Light Industry and Continued Market Prosperity"]

[Text] Have Industrial Consumer Goods Exceeded Demand?

Market supplies have improved in China in the past 4 years with the rapid growth of light industry. China's total light industrial output value grew from 180.6 billion yuan in 1979 to 276.6 billion yuan in 1982. The quality of products has improved and more varieties are available. Most commodities are in ample supply in domestic markets and prices have remained basically stable.

Since the latter half of last year, a new situation has emerged in the production of light industry and in market supply and demand. In 1982 the growth of light industry dropped from an average increase rate of 14 percent in the previous 3 years to 5.7 percent, of which the growth in the textile industry dropped from 18 percent to 1.3 percent in the preceding year. While the purchasing power of commodities was continuously rising by a big margin, the growth of production of industrial consumer goods suddenly dropped. At the same time, the sale of some goods such as cigarettes, paper, spirits, transistor radios, and some textiles became sluggish.

Does such a change in market situation prove that the supply of industrial consumer goods exceed demand?

We hold that this is not a correct point of view. First, total volume of retail sales in China in the past 4 years has increased at a faster rate than light industrial growth. From 1982 to the present, supply and demand for most consumer goods have been balanced. Some are in short supply and only a small number of commodities do not sell well. Second, purchasing power is not fully utilized. Urban and rural bank savings deposits increased by an average of 11.72 billion yuan annually in the last 4 years. By the end of 1982, total bank savings reached 67.54 billion yuan and many people had cash in hand, which totaled approximately 110 billion yuan. However, people will not spend all their money on consumer goods and it is true that quite a number of people are saving and taking a "wait and choose" attitude.

In a word, purchasing power in China is not deficient. Third, the standard of people's consumption in China at present is rather low and the basic necessities of life such as food, clothing, shelter, transportation, and so on still need to be improved. Therefore, we should make a sober estimate of the production of light industry and market conditions. We cannot prove that our commodities are abundant from the present state of unsold goods. On the whole, the supply of goods, although improved, is still inadequate.

Meanwhile, the oversupply and slow sales of some industrial consumer goods at present are not due to overproduction and a lack of purchasing power, but because the people's purchasing power is far more than enough. We hold that the oversupply and slow sales of some industrial consumer goods is a sort of structural overproduction. It is manifested in the following ways: the same kind of products unsold and in oversupply in some places may be in short supply in other places. The masses chose and select those goods that are of high class, fine quality and a famous brand. Those goods not chosen become unsalable.

The Reason Why the Growth of Light Industrial Production Dropped

There are various reasons for the drop of the growth of light industrial production and the overstock and slow sales of some industrial consumer goods.

First, viewed from the production of light industry itself, the rapid growth of light and textile industry in the past 3 years was of a compensation and debt nature. The fast growth was reasonable but some products were blindly developed.

Second, the guiding ideology for the production of light industry could not meet with the developing situation of consumption. Viewed from the whole country, the people have demanded better quality, increase varieties and improved designs, whereas the guiding ideology for light industrial production still centered on producing more to meet the needs of the people.

Third, the changes in the product structure could not meet the changes of consumption structure, particularly the changes in rural merchants' and peasants' needs. The rural market was not fully opened.

Fourth, the organizational structure, production means and production techniques of light industrial enterprises could not meet the changes in product structure. Due to the one-sided view on mass production and batch processing, which sought building large factories, merging small factories, and manufacturing products in large quantities but less varieties, for decades many of the products were of the same model and style which could not meet the ever-changing and varied needs of consumers. The production means and technical equipment of most of the light industry enterprises were "old factories from the 1930's and equipment from the 1950's," which could not possibly suit the demands for better quality and high standards. The technical capability and scientific research work of the production of light industry, which lagged behind for a long time, could not meet the demands for exploiting products.

Fifth, many of the light industry enterprises were engrossed in production in the past. They did not understand enterprise management nor did they conduct market research. They were not familiar with the consumers' needs, nor did they even think of the consumers. As a result, the path became more and more narrow for them.

The above conditions show that the production of light industry in China is confronted with a strategic change, that is, the compensation and debt stage has passed and the new period of steady growth is coming; the task for helping supply each other's needs has been basically accomplished and the new task of achieving better quality, increasing varieties and improving designs has been put forward; and, the method of extensive management is no longer suitable and must be replaced by intensive management.

Viewed from circulation, the overstock of some light industrial and textile products is closely related to the blocked circulation channels.

Another important reason for the drop in light industrial production growth is that the investment scale of capital construction was excessively large and the growth of heavy industry too fast, which squeezed out light industry from the supply of raw materials, energy resources, communications, and so on.

Since the beginning of this year it has become more evident that light industry is being squeezed out. In some localities, the light industry enterprises were supplied with 25 percent less electricity than the actual amount they needed. Due to a shortage in transportation, some enterprises were forced to stop production. Meanwhile, there was also a shortage of raw materials necessary for the production of light industry, such as rolled steel, timber, copper, aluminium, sodium carbonate, caustic soda, plate glass, and so on.

The above situation and problems show that in the next few years there are two possibilities in the development of light industry and the entire industry in China. One is to resolutely implement the relevant existing principle and policies of the central authorities on energetically developing the production of consumer goods, maintain the continuous growth of such a trend and create a new situation in the steady growth of light industry and the coordinated development of light and heavy industry. This possibility can absolutely be realized by making great efforts. The other possibility is to postpone the strategic change in the production of light industry, invest and vigorously develop heavy industry and let the growth of light industry continue at a slow rate, which may bring about another short supply in markets. We must strive to achieve the first possibility and avoid the second so as to ensure the steady growth of light industry and the further improvement of market conditions.

How Can the Steady Growth of Light Industry be Attained?

First, it is necessary to earnestly study the needs of consumption and the new changes in market conditions, and actively explore new strategies in developing the production of light industry. On the basis of increasing its quantity, all the textile and light industrial products should be developed in the direction of achieving better quality, cheaper prices, increased variety, improved designs, different standards and providing good service. Meanwhile, attention should also be paid to the different habits, purchasing power and favorite products of different consumers. The various needs of different consumers should be put in the first place in light industry production and new markets should be opened in coordination with the continuous changes in people's demands. It is essential to change the traditional ideas which regard the just demands of the people in consumption as being luxurious and extravagant, and which regard eating and dressing as merely filling the belly and covering the body, keeping warm and so on. It is essential to be farsighted on the production of various light industrial products and make long-term plans. As for the products needed by the market and so that we have ample raw materials and production capability, we must adopt the policy of promoting a high sales volume at low profits and appropriately encouraging consumption to promote production development. At the same time, it is also necessary to appropriately control wages increases and issuance of bonuses to prevent overconsumption.

Second, the role of circulation which serves as a link should be brought into full play to promote production development and raise the consumption standard. The steady growth of light industry cannot be separated from the energetic support and cooperation of the commercial departments.

It is therefore necessary to accelerate reform in the commercial circulation system, break through the blockade between various localities, free rural and urban circulation, and open up multichannels for circulation to maintain a steady flow of goods. Particular attention should be paid to enlarging the two markets: one is to enlarge the rural market and earnestly provide rural areas with textile and other light industrial products; the other is to enlarge the international market and strengthen the sale of export goods.

The departments of production, commerce, foreign trade, and so on should all set up organizations and a network for market investigation and forecasting and market information transmission to do a good job in commercial investigation and market forecasting and to enhance information exchange. They should also be well informed on the developing characteristics and changing trend of the three markets (rural, urban, and international), adopt flexible management methods to enliven businesses and build an unimpeded bridge that links the producer with the consumer.

Third, from now on we should regard the exploitation of new products, development of new trades and opening up of new spheres as the key link for light industry production. There are bright prospects for the exploitation of new products. It is necessary to conscientiously study the marketable price, expiry date, renewal cycle, and consumption flexibility of various products. Each department, locality and enterprise should strive to safeguard and develop its famous brand, new, and fine quality products. We must break down the barriers of trades and departments, organize joint cooperation between scientific research units, institutions of higher learning, processing factories, and factories providing raw materials, and closely integrate scientific research, technical transformation, the trial-manufacture of products, and batch processing. In order to provide the markets with new products, while proceeding with the production of the first generation of goods, we must at the same time reserve, trial-manufacture, and plan for the next generation of goods. The development of new products and the opening up of new spheres should be regarded as the central link in light industrial production and should be grasped well.

Fourth, the transformation of production organizations and production means and development of production techniques should be regarded as an important measure to transform the production structure and realize the strategic turn in the production of light industry. It is necessary to appropriately readjust the enterprise scale and batch processing of light industry enterprises, develop the production in small batches and more variety, and raise the capability of light industry production to meet changing circumstances. In the next few years, light industry should not be developed on too large a scale, but attention must be paid to the technical transformation of the existing enterprises, and the road of developing intensive reproduction should be followed. We must do a good job in the transformation plan of trades, formulate technical and equipment policies, emphasize advancing forward, give classified guidance, act according to our capability, and emphasize practical results. We must attach importance to the development of the technical and scientific research forces of light industry.

Fifth, strictly control the grand scale of investment in fixed assets and the excessively fast growth of heavy industry, and realize the coordinated development of light and heavy industry.

JOINT VENTURE ENTERPRISES HELP ECONOMY

HK240730 Beijing RENMIN RIBAO in Chinese 20 May 83 p 5

[Article by Chu Baotai and Dong Weiyuan: "Running Joint Venture Enterprises and the Development of National Economy"]

[Text] Is the establishment of joint venture enterprises using Chinese and foreign funds beneficial to the development of the national economy? Facts over the past 3 years have proved that it assisted and benefited the development of the national economy, and did not harm it.

Joint venture enterprises using Chinese and foreign funds are established under the strict control of the state plan and in accordance with the requirements of the national economy. The state plan puts forth key fields in which foreign funds are to be absorbed, and formulates the limits of foreign funds which the whole country, all departments and areas, may use in carrying out the 5-year plan and the plan for the current year. Of all concrete items using foreign funds which are raised by various departments and localities, those which exceed the limits must be approved by the State Planning Commission; those within the limits must be approved by provincial, municipal, and autonomous regional governments and relevant departments of the State Council. Contracts signed with foreign businessmen must be approved by the foreign Economic Relations and Trade Ministry or units authorized by it. In the course of examination and approval, those contracts harmful to the development of the national economy must be canceled and those items beneficial to the development of the national economy must be supported. All 48 enterprises which have been established correspond with the development of the national economy.

The establishment of joint venture enterprises using Chinese and foreign funds is beneficial to the importing of new technology and technological transformation of the national economy. At present, most technical installations in our country's enterprises are backward and need to be modified urgently. If we use the method of trading with licenses in all items and use money to buy new technology and installations, the state will need to export more raw products in order to obtain foreign exchange. In importing new technology by adopting the new method of establishing joint venture enterprises using Chinese and foreign funds, we can not only save much foreign exchange for the country, but can also obtain some new technology which could not otherwise be imported.

The establishment of joint venture enterprises using Chinese and foreign funds can also supply knowledge of advanced, scientific management. In our country's enterprises three serious defects in business management have existed: 1) enterprises have adopted the practice of "eating out of the same big pot," and paid no attention to economic auditing, resulting in a poor economic result; 2) as staff and workers have obtained iron rice bowls and their performance makes no difference, their enthusiasm for labor cannot be aroused; 3) since cadres lack the knowledge of dealing with international business, few products can make inroads into international markets. Joint-venture enterprises using Chinese and foreign funds can help us to eliminate these three defects and can provide valuable experience which enterprises in our country can make use of in reforming business management. Joint venture enterprises using Chinese and foreign funds must practice independent auditing and assume responsibility for their own profits and losses. They must have absolute decisionmaking power in employing people, and in formulating the systems of wage, reward and allowance of the enterprises. Those with good performance may be praised, rewarded, or promoted; those with bad performance may be criticized, demoted, or even dismissed.

Joint venture enterprises using Chinese and foreign funds are jointly invested and operated by both the Chinese and foreign parties. As people familiar with the international business operation are dispatched by the foreign side to take up positions as managers or deputy managers in the joint venture enterprises, not only will the business operation level of the enterprises be upgraded, but cadres of the Chinese side can also learn the knowledge and skill of handling international business in the course of cooperating with foreign businessmen. These experiences of business management may also be directly used by other enterprises for reference.

The establishment of joint venture enterprises using Chinese and foreign funds can cultivate talented people who know international economic affairs. The process of running a joint-venture enterprise, whether in initial contacts with foreign businessmen, in conducting feasibility studies of investment items, in negotiating and signing contracts and regulations, or in starting to do business or carrying out joint operation, is a large school for learning international economy. Many people have, in the course of practice, learned much knowledge about international economy, accounting, law and standard practice. They have gradually developed from being afraid of dealing with foreign businessmen at first to being skilled in dealing with foreign businessmen. The growth of people talented in this aspect will assist our national economy to enter the international market more rapidly.

The establishment of joint venture enterprises using Chinese and foreign funds is beneficial to the expansion of our country's foreign trade. The enterprises treat the entrance of their products into the international market as their main goal in business operation. As all installations and raw material imported by the joint venture enterprises are directly used to produce export commodities, not only will imports of foreign trade be increased, but the exports will also be increased. The development of joint venture enterprises using Chinese and foreign funds will inevitably result in the establishment of their sales offices in foreign countries, which can change to a certain extent the practice of relying mainly on foreign sales agents in China's foreign trade, and can promote the development of China's foreign economic relations and trade.

YAO YILIN ON USING FOREIGN INVESTMENTS

OW220133 Beijing XINHUA Domestic Service in Chinese 1540 GMT 20 May 83

[By reporter Li Zhaofen]

[Text] Beijing, 20 May (XINHUA) -- At the national conference on the use of foreign funds today, Yao Yilin, vice premier of the State Council, pointed out that the use of foreign investment by our country has not only played a role in the technical transformation of small and medium-sized enterprises but has also played quite an important role in economic construction as a whole.

Yao Yilin said: Foreign funds should be used in two areas, key construction projects and technical transformation. Since the 3d Plenary Session of the 11th CPC Central Committee, great successes have been achieved in using foreign investment for key construction projects. In using foreign investment to import advanced technology for small and medium-sized enterprises, we must do more and at the same time sum up experience and lessons.

Yao Yilin stressed: On using foreign funds, there is still a lot to be learned from the realm of necessity. In the next few years our major task is to update technology in the big coastal cities, and the use of foreign investment should be focused on the coastal cities, areas near Hong Kong and Macao and the key development areas. Some places with favorable conditions for using foreign investment can also actively make use of foreign investment.

Yao Yilin said: A solution is most urgently needed for the problem of making good, overall long-range plans in the work of using foreign investment. On the basis of macroeconomic planning, each plan must be scrutinized carefully. In using foreign investment, it is necessary to constantly calculate the economic results it produces, and investment should be made in the order of importance and urgency.

Yao Yilin said: In using foreign investment to import advanced technology, it is necessary to give some flexibility to taxation, profit, tariff, sale of products and so forth, and flexible policies should be adopted according to actual conditions. In the meantime we must promulgate the patent law as soon as possible to protect the other side's patent rights.

The conference summarized and discussed the country's experience and the problems involved in using foreign funds in the past 4 years and increased understanding of the need to make further and better use of foreign funds. The relevant departments under the State Council should actively adopt unified measures to coordinate the smooth progress of using foreign investment in the whole country.

At today's closing ceremony, Chen Muhua, state councillor and minister of foreign economic relations and trade, called on the localities to consciously implement the State Council's relevant instructions concerning the use of foreign investment, strengthen leadership over the use of foreign investment and give it effective support. [Beijing Domestic Service in Mandarin at 1200 GMT on 20 May cast carries a report on Yao Yilin addressing the national conference on the use of foreign funds. The radio report notes that Gu Mu also attended the conference.]

Foreign Funding of Key Projects

OW202206 Beijing XINHUA in English 1654 GMT 20 May 83

[Text] Beijing, May 20 (XINHUA) -- China will use foreign funds for key industrial projects and revamping existing enterprises, Vice-Premier Yao Yilin said today at an investment conference. The vice-premier said that in the past four years China has recorded striking successes in using foreign investment for key projects, including railways, harbors, airports, mining and oil exploration and also in the establishment of several special economic zones.

Initial gains have also been achieved in the technical transformation of small and medium-sized enterprises, tourism and other fields through foreign loans, direct investment, compensation trade or cooperative production. Some of these enterprises have already demonstrated good economic results.

The vice-premier stressed the necessity of using foreign investment in China's national economic construction as a supplement to domestic resources. It is necessary, he said, to introduce advanced technology and import advanced equipment to help raise the nation's technical level.

He said that systematic transformation of existing enterprises must be carried out in a unified fashion. Flexible policies will be adopted concerning taxation, tariff, sales of products and the rate of profits.

'INTELLECTUAL SUPPORT' FOR BORDER AREAS STRESSED

OW230107 Beijing XINHUA Domestic Service in Chinese 0845 GMT 21 May 83

[Text] Beijing, 21 May (XINHUA) -- The General Offices of the CPC Central Committee and the State Council recently circulated a "Report on the Meeting of Democratic Parties and Groups To Secure Coordination in Efforts To Serve the Construction of the Border Regions" by the CPC Central Committee United Front Work Department and the State Nationalities Affairs Commission. In a note accompanying the report, the General Offices of the CPC Central Committee and the State Council call on all localities and departments concerned to support and assist this movement actively and earnestly to arrange for its implementation.

The note says: The CPC Central Committee Secretariat and the State Council are of the opinion that the "intellectual support for the border regions" movement launched by the democratic parties is of positive significance to the cultural and economic development of the border regions and areas inhabited by minority nationalities; the promotion of socialist relationships of equality, unity, and mutual help among all nationalities in the country; the stabilization and building up of the ranks of scientists and technicians in the border and minority-nationality areas; and the bringing into full play of the roles of knowledge and intellectuals in the socialist-modernization drive. The report by the CPC Central Committee United Front Work Department and the State Nationalities Affairs Commission has been endorsed by the CPC Central Committee Secretariat and the State Council, and it is hoped that all localities and departments will act accordingly.

The "Report on the Meeting of Democratic Parties and Groups To Secure Coordination in Efforts To Serve the Construction of the Border Regions," submitted by the CPC Central Committee United Front Work Department and the State Nationalities Affairs Commission to the CPC Central Committee Secretariat and the State Council, says: The meeting of democratic parties and groups to secure coordination in efforts to serve the four modernizations drive in the border regions and minority-nationality areas, held in February, strongly reflected the pressing demand for intellectual development of the people in the minority-nationality areas. The border regions and minority-nationality areas have abundant natural resources and great development potentials. However, due to scientific, technological, and cultural backwardness, these areas find bringing their natural advantages into play difficult, or even impossible. In the four modernizations drive, striving to help the border and minority-nationality areas speed up their economic and cultural development is imperative. Helping the border and minority-nationality areas speed up their economic and cultural development is a matter of strategic overall importance, and the key lies in intellectual development. The democratic parties are an important force in organizing "intellectual support for the border regions" and can make their own contributions to promoting the economic and cultural development of the border and minority-nationality areas. To do a good job in "intellectual support for the border regions," the democratic parties should pay attention, first of all, to basic intellectual development and undertake some economic-construction consultation and service work, step by step.

The "report" says: The "intellectual support for the border regions" movement launched by the democratic parties is a major undertaking that has a bearing on the further development of the socialist relationships of equality, unity, and mutual help among all our nationalities; and concerns accelerating the more rational circulation of trained people and bringing into play the role of intellectuals in socialist construction.

To help the minority nationalities develop both culturally and economically, it is necessary to walk on two legs: one leg is state support, which is principal; the other leg is social support, which will demonstrate its importance increasingly. The support of minority-nationality areas by the democratic parties and federations of industry and commerce is an important aspect of social support and should receive vigorous help from the party and government departments concerned. United front work departments and nationalities affairs commissions in various places should regard helping the democratic parties to launch the "intellectual support for border regions" movement as an important task of their own and do a good job in "building bridges and clearing the way" and acting as a go-between; actively help the democratic parties with difficult problems they cannot solve on their own; help the democratic parties to study new situations and new problems that crop up in work, to sum up experiences in good time and to do good work; and assist the departments concerned to formulate the necessary policies and facilitate the exchange of relevant information.

XUE JIANHUA ON DALAI LAMA, XIZANG'S PROSPERITY

OW201216 Beijing XINHUA in English 1201 GMT 20 May 83

[Text] Beijing, May 20 (XINHUA) -- People in Tibet now have more grain and meat, more houses and tents, more furniture and more bank savings, Xue Jianhua, vice-minister of the State Nationalities Affairs Commission, told a news conference here today. The conference was held to mark the 32nd anniversary of the peaceful liberation of Tibet.

Tibet now has a population of 1.78 million as compared with 1.13 million in 1959, when a census was taken. The population of the Tibetan nationality has grown by 57.7 percent since that year.

Xue Jianhua said the changes came as a result of joint efforts by the cadres and masses of various nationalities there, with assistance in material and labor power from other parts of China.

In the past 32 years, he said, the central government has set aside a total of 6 billion yuan in financial subsidies to help Tibet develop its local economy, culture and education.

Tibet has been exempted from all taxation for five years, from 1980 through 1985, he said.

Xue Jianhua said there were no industrial enterprises in Tibet before 1951. There are now more than a dozen industries developing, with a total output of 150 million yuan in 1982. In the same period grain production was trebled and the number of livestock increased 3.5 times, he added.

Xue Jianhua said there are now four main highways linking Tibet with Sichuan, Qinghai and Yunnan Provinces and the Xinjiang Uygur Autonomous Region. Another network totalling 21,500 kilometers links Lhasa with 99 percent of Tibet's counties.

Some 36,000 cadres, or more than 60 percent of the total in Tibet, are from the Tibetan or other national minorities, he added. Top government leaders at the regional, prefectural and county levels are all minority people. Large numbers of minority people have been trained as specialists and scientific workers, including 140 associate professors, lecturers, engineers and agronomists.

On China's policy toward the Dalai Lama, Xue Jianhua said the government's consistent policy is that "all patriots belong to one family whether they rally to the common cause early or late" and that "the returnees will not be held responsible for their past behavior and they are free to come back or leave again."

"The Dalai Lama is welcome if he wishes to return," Xue Jianhua said. "He may return and stay for some time and, if he leaves, he will also be welcome when he wants to come back again."

Return of Former Official

OW201236 Beijing XINHUA in English 1216 GMT 20 May 83

[Text] Beijing, May 20 (XINHUA) -- Alo Chhonzed, who was a member of the former Tibetan upper strata, returned from Australia on May 5 with his wife and son to live in China.

This was announced here today by Xue Jianhua, vice-minister of the State Nationalities Commission, at a press conference marking the 32nd anniversary of the peaceful liberation of Tibet.

Alo Chhonzed, 64, is from Litang, Sichuan Province. He became a lama in his youth and studied Buddhist scriptures at Zhebung Monastery in Lilihasa. He left China in 1956, and returned to visit Beijing, Tibet and Chengdu and Chongqing in Sichuan Province in 1980.

Xue Jianhua said that, over the past three years, more than 1,000 Tibetan compatriots have returned on visits and more than 100 of them have settled in various parts of China.

RENMIN RIBAO ON FIGHTING 'UNHEALTHY TRENDS'

HK220740 Beijing RENMIN RIBAO in Chinese 13 May 83 pp 1, 3

[Editorial: "Take the Responsibility Bravely, Dare To Struggle -- Drawing Lessons From the Handling of the Shuangchengpu Railway Station Incident"]

[Text] Recently, under the support and guidance of the leading comrades of the CPC Central Committee and the State Council, a rehandling of the Shuangchengpu railway station incident has been going on in accordance with the law and reason. Six loaders of the Shuangchengpu station under the Harbin Railroad Bureau practiced uncivilized loading in their work, resulting in damage to a lot of laundry machines. The person in charge of the station was removed from his post. The new secretary of the CPC branch and the chief of the station are determined to improve the style of work at the station and have sent letters to departments concerned requesting their criticism and supervision. The six loaders in question have started to pay for the loss to the unit resulting from the damage, making these payments in installments and using their own wages. They said: "We will get up if we have stumbled and start all over again"; "we will restore our reputation with our own actions." The rehandling of this incident has proved that in dealing with failure to observe discipline, unhealthy trends, evil practices, and cases of violating the law and discipline, problems can be solved if only a serious attitude is adopted by taking the responsibility bravely and daring to struggle.

The situation is not what some people think, namely, that "old bad practices die hard." It is hoped that comrades of leading organs at various levels will draw lessons and experiences from this incident, improve their style of work, set a good example in wiping away various unhealthy tendencies with practical actions together with the broad masses, and strive for the construction of socialist spiritual civilization.

In the eyes of some people who are infused with old ideas and old habits, this case could have been solved by quite another "way": "If you had kept those 10 laundry machines and sold them at cost price, you would not have caused such a 'disaster'." After all, "the wool still comes from the sheep's back." The loss from the sale of those 10 laundry machines at cost price would be passed on to the customers without a single person noticing it anyway so, why not strike this bargain? Such a "way" is an epidemic of present-day society. If everyone goes along with this "way," things will go like this: You have cheated me, so I will do the same thing to him -- hence, a malignant cycle. And how could you expect a change for the better in the general mood of society? The staff members of the youth store of the broadcasting station of Shuangcheng County are a group of "inexperienced" youths; they could not afford the loss and could not stomach the bully. First, they refused the extortion; they then resorted to public opinion and unveiled the Shuangchengpu railway station incident. This unveiling is a must. It is necessary to promote this spirit of daring to struggle in the fight for a basic change for the better in the general practice of society. People detest all sorts of unhealthy trends in society. However, confronting the attack of unhealthy trends, many people adopt the attitude of "letting things drift if they do not affect one personally" and "minding one's own business." And even many of the victims are used to swallowing insults and meekly submitting to maltreatment in hope of a compromise out of consideration for the general interest. However, compromise will only sacrifice the general interest and to tolerate evil is to abet it. Weakness, compromise, and retreat are the very hotbeds of multiplying various unhealthy trends. To conquer unhealthy trends, it is necessary for us to promote the spirit of daring to struggle. Every unit and comrade encountering such phenomenon, and especially the victims, must dare to cope with it and dare to struggle against it. By no means should they get out of the way to curry favor and even drift with the tide. It must be seen that in our country unhealthy trends are but a hidden ill wind. If you are lazy, it will be tough; but if you are strong, it will get weak. If only we have the courage to fight against it, though it may be ferocious for a time, it cannot wreak havoc to the end. Is it not clear that the struggle of the youth store of the broadcasting station of Shuangcheng County has demonstrated this point?

The Central People's Broadcasting Service was the first to broadcast the letter from the youth store of Shuangcheng County. The exposure of this incident has played an important role in promoting the handling of the case. If we say the youth store was carrying on the struggle alone before the broadcast on the incident and was placed in an inferior position, then after the broadcast, when the case was made public, the rights and wrongs are all too clear. And the sympathy of the public is on the side of the youth store, while the people concerned of the Shuangchengpu railway station are pushed to the dock of the accused. Therefore, it can be seen that newspapers, broadcasting stations, and television are capable of playing a great role in the struggle to strive for the basic change for the better in the style of the party and the general mood of society. Why is it that some units and individuals being injured do not dare to fight against unhealthy trends? A very important reason is the fear of failing to obtain forceful support. If all units, including mass organizations like the union, the CYL, and women's association, and also journalistic units like newspaper offices, news agencies, and broadcasting services, all uphold and fight for justice, why should there be worries about injured units not daring to argue strongly on just grounds?

And why should there be worries about injured individuals not rising to struggle? As far as journalistic units are concerned, while their chief duty is to make positive propaganda, they should not neglect to selectively expose some bad elements and evil doings, so as to promote the advance of society. The report of the Central People's Broadcasting Station has given us an important revelation, that is, we can not rest satisfied in writing comprehensive reports after an incident has aroused the grave attention of the leadership or after it has been settled. Reports should also be written on selected cases which have been under investigation but have not aroused due attention as yet, so as to give timely support to the victims. In this respect, this newspaper has done some work but is still far from meeting the requirements of the party and the people. We are willing to contribute our share, together with our brother units, in realizing the call of the 12th CPC Congress in the struggle to strive for a basic change for the better in the style of the party and the general mood of society.

The leading organs took the responsibility bravely, dared to take a grasp of things and practice administration, and were able to grasp things to the end. These constitute an important reason why the incident of the Shuangchengpu railway station was handled seriously in the end. These also constitute a style of leadership and a style of work to be promoted at present. In the course of the handling of this case, the work team sent by the Ministry of Railways did not perform its duty at the initial stage, and as departments responsible for the work, the Ministry of Railways and the State Economic Commission neglected their supervisory task. The leading comrades at the central level have taken a firm grasp of this incident and have attended to it time and again. This is to correct the irresponsible style of leadership and style of work. The style of leadership and the style of work are important parts of the style of the party. People have pinned their hopes on a change for the better in bringing along the change of the general mood of society. If the party fails to form a style of assuming responsibility to the masses in real earnest but shifts responsibility onto others when anything comes up, makes a detour when it meets with difficulties, fails to make known its stand in case of emergency, and muddles through the work when pressed by the organ at a higher level and even willingly acts as "a bead on the abacus" that will not move without being pushed, then how are we to be able to lead the masses of people in conquering unhealthy trends, and how is it possible to create a new situation?

Some comrades are always afraid of offending others, afraid of offending their bosses or those at the grassroots level, the cadres, and the masses. They have always wanted to be those who try not to offend anybody. This "philosophy of a mediocre person" will do damage to others and oneself, the party, and the nation and has no place in the title of a communist. A communist should bear responsibility to the people for his every word and action. If you have done something unfavorable to the people, I will offend you. If I protect you instead of offending you, this will offend the people and will do harm to you in the end. Here, there is a problem of correctly dealing with the relationship between being "severe" and "benevolent." It is necessary for us to set a strict requirement on all cadres and workers and, at the same time, to show care and concern for them. These two aspects are in harmony. "To be relentless is, in reality, being full of concern." Strict requirements should include the severe handling of cadres and workers who have committed errors. This, in fact, is our concern for them. Suppose that in handling the incident of the Shuangchengpu railway station, an attitude of letting things slip by with half closed eyes was adopted, big problems were turned into small problems and small problems into no problem at all, and it was done just any old way, would all comrades concerned have been able to receive such a profound education? Would their determination and actions to improve their style be as resolute as it is today?

At present, there appears a new prevailing practice at the Shuangchengpu railway station. It has proved that the railway workers and staff members are a fine group with a glorious revolutionary tradition and discipline. In the leadership takes the responsibility bravely and sets a strict requirement on themselves, the broad masses of railway workers and staff members will render good service to the people. The railway is a big artery of the nation; it has a wide scope of contact with the people and its influence is great. The change in the style of the railway will promote the change in the general mood of the whole nation. On the other hand, if an error which has done damage to society and the interests of the people was not legally and rationally handled in a serious manner, the comrade who has committed the error will possibly commit similar errors again and may even commit errors of a more serious nature, resulting in greater damages to the nation and the people. Therefore, it can be seen that to we communists, the persistence in principle, the correction of errors, the education of our cadres, and the promotion of the well-being of the people are our duties that must be fulfilled. This is to show concern for our cadres and not in any way to "deal blows" to them.

We speak about remaining responsible to the people every day. But what does it mean? Comrade Mao Zedong could not make it clearer when he said: "Every word, every act, and every policy must conform to the people's interests. If mistakes occur, they must be corrected -- this is what remaining responsible to the people means." From the incident of the Shuangchengpu railway station, we can see that so long as we start from the interests of the people, take the responsibility bravely, and dare to struggle, righteousness will eventually conquer whatever unhealthy trends and evil practices exist. This attitude of remaining responsible to the people will help us make great improvements in the style of our leadership and style of work as well as fundamentally change the style of our party and the general mood of society.

XUE MUQIAO'S CONTRIBUTIONS TO ECONOMICS NOTED

HK191045 Beijing RENMIN RIBAO in Chinese 16 May 83 p 5

[Article by Ren Tao: "Working Hard To Explore the Economic Laws of Socialism -- Introducing Comrade Xue Muqiao's Contributions to Economic Science Over the Past Several Years"]

[Text] Since the downfall of the "gang of four," under the guidance of the line of seeking truth from facts and emancipating people's minds laid down by the 3d Plenary Session of the 11th CPC Central Committee, economic circles have ushered in a spring time with flowers blossoming in a burst of color. Many people can think things out for themselves, keep on studying new conditions and problems, seriously seek ways to conduct socialist modernization construction in China, and courageously put forward various schemes for reforming the economic system and readjusting the economic structure, thus not only bringing about prosperity and development of economic science, but also greatly promoting the practice in our socialist modernization drive. The contributions made in the current period by Comrade Xue Muqiao, a well-known Marxist economist in our country, are very valuable.

Comrade Xue Muqiao is a man of great attainments in economics. As early as the early 1930's, in order to study the character of Chinese society, he made extensive and deep investigations of China's rural economy and wrote a number of theses on this subject. In the 1940's, when he took charge of economic work in the democratic government of the Shandong liberated area, he succeeded in making use of currency, trade and other economic means to lead the arduous work of developing the economy in the liberated area and guaranteeing supplies for the war. Since the national liberation was won, he has been working continuously in a leading post in charge of national economic work.

When he worked as general secretary of the financial and economic committee of the government administration council, he assisted Premier Zhou Enlai and Comrade Chen Yun, director of the committee, in handling day-to-day economic work. During this period, he took an active part in handling such important matters as unifying national finances and economic policies, stabilizing prices, and transforming private industrial and commercial enterprises. After that, he was appointed the first head of the State Statistics Bureau and the State Pricing Commission and he made contributions to New China's statistics and pricing work. In the period of readjustment of the national economy in the early 1960's, being a deputy director of the State Planning Commission, he made thorough investigations and studies of some important policies concerning the national economy. Because of the experience and lessons provided by the "Great Leap Forward" and the practice in 1959, he felt deeply that there would inevitably be serious consequences for the national economy if we only paid attention to growth rates without having regard to proportions and economic results, only gave priority to key projects without paying attention to coordinating developments in all fields, and only stressed human subjective initiative without respecting objective economic laws. He assisted Comrade Li Fuchun in drafting a proposal for readjusting major proportions in the national economy, and Premier Zhou valued highly this proposal and summarized it into the principle of "readjusting, restructuring, reorganization, and upgrading," which was approved by the party central leadership and implemented throughout the country. During this period, he made special contributions to the national economic planning work, and particularly to the work of stabilizing and readjusting prices.

After the downfall of the "gang of four," Comrade Xue Muqiao took an active part in the struggle to expose and criticize the gang. He emphatically criticized the gang's absurd viewpoint in opposing the theory that productive forces decide everything. He refuted the gang's false arguments against the principle of distribution according to work. He also convincingly criticized the gang's theory that denied that the purpose of socialist production is to meet the increasing needs of the people in their material and cultural lives and denied the role of socialist commodity production and the role of the law of value.

Since the 3d Plenary Session of the 11th CPC Central Committee, the party has taken the initiative in setting things to rights and has earnestly corrected "leftist" mistakes in an all-round way. In the course of this, Comrade Xue Muqiao, according to the practice of socialist construction he has personally experienced, courageously broke into the forbidden zone in theoretical research to seek with painstaking efforts and realistic spirit a way to handle, in China, socialist modernization construction which has Chinese characteristics and is suited to China's conditions. He has written many articles and made many reports on this subject. In particular, his book "The Study of China's Socialist Economy," published in 1979, reflects his major contributions. This book has played a great role in setting things to rights in the field of economic theory in our country, in summing up our experience in the more than 30 years of revolution and construction, and in the study of a series of important economic questions which have not yet been settled or completely settled. The book has given people much useful inspiration and has drawn extensive attention at home and abroad. Many economic theorist workers and practical workers have systematically read this book. Now the book has been defined as an obligatory textbook in the economics departments of China's higher learning institutions.

First of all, he has studied the laws governing the development of the socialist economy by basing his study on China's actual conditions. He points out: The objective economic laws are inviolable. If one violates them, one will certainly be punished.

The problem appearing in our economic construction in the past were mainly "caused by the fact that we subjectively exaggerated the role of the changes in ownership and relations of production and neglected the law that relations of production must be suited to the development of productive forces."

When dealing with the relationship between accumulation and consumption, he puts forward, according to the experience and lessons of our country, three principles that must be followed: 1) The people's needs in their lives must be satisfied to the maximum and the people's standard of living should be gradually improved on the basis of growing production. 2) Due to the large population and poor economic foundation of our country, it is preferable to keep the rate of accumulation at about 25 percent and limit it to a maximum of 30 percent. 3) The accumulation fund should be rationally distributed to departments engaged in material production, nonproductive departments, and other welfare undertakings according to appropriate ratios. This fund must not be inappropriately concentrated on some fields with others being neglected. He points out: In the past, in order to seek higher growth rates in production, we used to expand the scale of capital construction to an inappropriate degree, and the rate of accumulation was too high. This not only hindered the improvement of the people's living standards, but also caused serious disproportion between various economic sectors. Hence, the superiority of socialism could not be brought into full play.

Moreover, after analyzing the special conditions of China's socialist revolution, he points out: Originally, the economy in our country was dominated by small producers, and agricultural production relied mainly on manual work and retained the character of semiautarchy. Hence, it is all the more necessary to have a special transition stage and a series of special measures for the transition in China's socialist economic construction. Copying mechanically some readymade Marxist formulas about the initial stage of communism will inevitably lead to the "leftist" mistake of pursuing transition hastily. Therefore, multiple economic forms and varied types of operations should coexist in our country for quite a long time to come under the condition of the very uneven development of productive forces. In the course of modernization in our country, the peasantry issue will remain a primary one and it is necessary to place the development of agriculture in the primary position. Without a solid agricultural foundation, we will not succeed in realizing socialist modernization. In the composition of enterprises and in the technological structure, we should adopt the principle of allowing a coexistence of large-, medium- and small-scale enterprises and a coexistence of automation, semiautomation, mechanization, semi-mechanization, and traditional handicraft. Of course, this does not exclude the adoption of the most advanced technology in backbone enterprises and key departments.

It should be particularly mentioned that Comrade Xue Muqiao has put forward some very useful opinions on the present work of readjustment, restructuring, consolidation, and upgrading.

From the experience of construction over the past 30 years, he brought to light the principle that to develop production at a high speed, we must conscientiously and constantly maintain proper ratios. In particular, it is necessary to appropriately arrange the ratio between accumulation and consumption, to strictly control investment in capital construction and the growth in social purchasing power, and to keep the total of accumulation and consumption funds below the national income. At the same time, it is necessary to arrange appropriate ratios between agriculture, light industry, and heavy industry. For this purpose, we must overcome the long-standing erroneous tendency to develop heavy industry in a lopsided way at the expense of the development of agriculture, and light industry, and of the improvement of the people's livelihood.

He points out: Under the condition of economic imbalance, it is all the more necessary to strictly control the developmental orientation of the national economy, with priority being given to the development of agriculture, light industry, energy, communications, and service trades. Heavy industry should also be developed, but it should be oriented to serving agriculture and light industry as well as possible so as to gradually restore and establish, between various economic fields, reasonable ratios which are suited to our national conditions.

With regard to the question of how to handle correctly the relationship between the planned economy and regulation by the market mechanism when the economic management system is being reformed, Xue Muqiao points out: We must learn how to utilize the regulatory role of the market mechanism and subject both to planned guidance so that the market mechanism can work as a supplementary means of planned management. At the same time, planned management should also follow objective laws, including the law of value. At present, in order to better guarantee the implementation of compulsory plans, we must quicken the formulation of various economic decrees and regulations so as to prevent localities and enterprises from abusing their powers and disturbing the fulfillment of state plans. More importantly, we must make good use of such economic levers as prices, taxes, and credit and employ these economic activities in accordance with the course charted by state plans. Not only should planned guidance make good use of economic levers, but so also should compulsory planning. As for the development of economies regulated by the market mechanism, it can only be guided fully through the utilization of economic levers.

It needs to be particularly mentioned that he has emphasized a need to reform the price system and the wage system from the very beginning. The reform of these two systems is not only a longstanding and difficult task, but is also a precondition for thorough structural reform. Therefore, it is necessary to actively study questions concerning this reform so that we may conduct the reform step by step when conditions are ripe. In our present situation and from our previous experience, it is completely possible for us to stabilize prices. But the readjustment of prices has lagged far behind objective changes, and prices in many fields have diverged greatly from values. Therefore, the basic principles for our future pricing work should be: 1) to stabilize prices; and 2) to reasonably readjust prices. That is to say, under the condition of guaranteeing the basic stability of prices of major means of subsistence, we should gradually narrow the gap between the prices of various goods and their values according to the law of value so as to maintain a balance between supply and demand of various goods. Regarding the reform of the wage system, the first thing is to solve the problem of "iron rice bowls." Without smashing the "iron rice bowl" system under which people can only be promoted and cannot be demoted, and can only be recruited and cannot be discharged, it is impossible to implement the system of distribution according to work. Although this is a difficult matter, it cannot be put aside forever. The longer it is intact, the more serious the consequences it will cause and the more difficult it will become to solve the problem.

With regard to the difficulty in settling employment in our country, he points out: "In the long run, we must practice birth control strictly and prevent inappropriate growth in population. At present, we must broadly open ways to create more jobs for urban and rural people. As long as a method can help develop production, increase the people's incomes, and increase the convenience of the people in their daily lives, we should support it rather than randomly restrict it.

He also holds that, although the reform of our economic system starts in the field of distribution, we must also attach importance to the reforms of the circulation system. If problems in circulation are not properly solved, we will hardly be able to promote our production to a further degree. In order to facilitate material exchanges between urban and rural areas, he consistently maintains that "peasants should not be prohibited from handling long-distance trading. Communes and brigades should be encouraged to collect native products and sell them to marketing and supply cooperatives or transport them to cities and sell them there. Commercial units run by communes and brigades should not only be allowed to sell native products in cities, but should also be allowed to sell industrial goods in villages so as to satisfy the needs of the peasants. Of course, when long-distance trading is permitted, market management should also be strengthened."

With regard to the reform of the foreign trade system, he points out: It is necessary to give play to the initiatives of all trades in handling foreign trade under the premise of coordinating steps toward the outside world. We should gradually establish a new foreign trade system with production enterprises and foreign trade enterprises as its main bodies, under which operation results are evaluated according to profits and losses calculated at exchange rates. The present method, under which losses suffered in foreign trade and indiscriminately borne by the state, should not be retained. A system of import agents should be established step by step, under which the method by which foreign trade departments are responsible for the importation of major products will be changed to one in which user departments entrust the work of importing goods to foreign trade departments. User departments should have to pay the actual costs of the imported goods and foreign trade departments should just gain a certain amount of commission.

He has written quite a few articles discussing the necessity and urgency of focusing all economic work on the attainment of better economic results. He said: "For many years, we have suffered poor results through seeking unrealistically high growth rates. In the period of readjustment, we should, rather, slow down the growth in production and make greater efforts to improve economic results to lay a solid foundation for rapid future economic development." He especially emphasized that in order to improve economic results, not only should microeconomic reorganization in enterprises be carried out to produce various goods needed by society with minimum consumption of labor and materials, but it is also necessary to make efforts in the macroeconomic field. The first thing is to guarantee the planned and proportionate development of the national economy, and this requires 1) readjustment and 2) reform. Provided we strive to improve economic results in both microeconomic and macroeconomic fields, we will certainly realize the grand objective of quadrupling total industrial and agricultural output value within 20 years.

Since he took charge of the Economic Research Center of the State Council in July 1980, Comrade Xue Muqiao has taken an active part in formulating state economic policies in various forms and has put forward many good proposals. For example, he has proposed substituting tax payment for profit delivery to improve the relationship between the state and state-owned enterprises; and he has pointed out that the deep development of technical transformation is the key to bringing about benign cycles in the national economy. At the same time, he has always invited and organized comrades from the theoretical field and from various functional departments to discuss and study actual issues together, and this has affectively promoted the combination of theoretical and practical work.

Comrade Xue Muqiao is not only an economist, but, first of all, he is a revolutionary. He always bases his study on reality and proceeds from the needs of practice in the Chinese revolution to study various strategic, long-term, and comprehensive economic issues. He often cautions his colleagues that an economic researcher must always link theory to reality and must always uphold truth and correct mistakes; he should never run after a trend and give up his principled stand. He has consistently acted in this way over the past 50 years and more, whether in the period of democratic revolution or in the period of socialist revolution and construction. Now, Comrade Xue Muqiao is at an advanced age, but he still concentrates on studying new conditions and new problems in our economic work and is continuing his efforts to study questions concerning the reform of our country's economic system.

ZHAO ZIYANG VISITS SHANXI ALUMINIUM PLANT 26 MAR

OW201835 Beijing XINHUA Domestic Service in Chinese 0056 GMT 20 May 83

[By reporter Cao Wenlong, correspondent Yang Zhilong]

[Excerpt] Taiyuan, 20 May (XINHUA) -- The CPC Committee and government of Hejin County, Shanxi Province have used effective measures to stop the unhealthy practice of a number of production teams and peasants who tried to profit illegally by overcharging the state for the land requisitioned for the Shanxi aluminium plant, a key project of the state. They educated the peasants to adopt an overall point of view and to actively support the plant construction. The surveying of the second lot of requisitioned land, totaling over 5,000 mu, has now been basically completed, and the preconstruction preparations are being stepped up.

The Shanxi aluminium plant is a key construction project of the state. Ground breaking is scheduled to take place on 1 July. In early March when the second lot of requisitioned land was being surveyed, some production teams and peasants rushed to plant trees and then asked the plant to pay more compensation. Some asked the plant to recruit them as workers or to help change their status into nonagricultural households. Some even forced the plant to accept their excessive demands by preventing the construction workers from doing their jobs. This slowed down the surveying and seriously affected the plant-construction schedule.

On 26 March, Premier Zhao went to the plant to find out how the construction work had progressed. When he learned that a number of peasants had tried to profit illegally at the expense of the plant from the land requisition he said: Profiting illegally at the expense of the plant is the same as profiting illegally at the expense of the state. This is not allowed. Extortion and blackmail are not allowed.

YANG SHANGKUN ON TRANSLATORS' MODERNIZATION ROLE

OW201210 Beijing XINHUA in English 1144 GMT 20 May 83

[Text] Beijing, May 20 (XINHUA correspondent Rui Yuanru) -- Yang Shangkun, member of the Political Bureau of the Chinese Communist Party Central Committee, today demanded high quality expertise of China's translators. Addressing the first council session of the Chinese Translators Association and the inauguration ceremony of the Beijing Translators Association this morning, the party leader urged linguists to contribute their best efforts to the country's modernization drive. Language is important in international exchanges, he said. Marxist writings were first introduced to China through translation, along with other progressive ideas and literature from other lands.

He anticipated "broad horizons" for Chinese translators in advanced sciences and technology, cultural interchanges and foreign relations. Translators will be indispensable as China proceeds with its open policies, Yang Shangkun said.

China now has 200,000 translation specialists. The Chinese Translators Association was established in 1982.

About a dozen major cities and provinces have also set up local translators' associations. A nationwide conference of local association leaders and a national translation symposium will be held in 1984. The national association also plans to exchange visits with its counterparts in other countries.

PENG ZHEN, OTHERS PAY LAST RESPECTS TO CHEN PENG

OW211159 Beijing XINHUA Domestic Service in Chinese 1553 GMT 20 May 83

[Excerpts] Beijing, 20 May (XINHUA) -- Chen Peng, secretary of the Beijing Municipal CPC Committee and head of the preparatory group of the Discipline Inspection Committee of the municipal CPC Committee, died of an illness on 30 April [as received] at the age of 74. This morning Peng Zhen, Wan Li, Yao Yilin, Bo Yibo, Liu Lantao and Wang Congwu visited Beijing Hospital to pay last respects to Comrade Chen Peng's remains and extended sincere regards to members of his family. Also paying last respects were responsible persons of party and government organs in Beijing and Comrade Chen Peng's friends.

Comrade Chen Peng was born in Anxin County, Hebei Province, in 1908. In the early years, he took part in the students' movement and actively publicized Marxism-Leninism. He became a CPC member in 1930.

During his imprisonment between 1932 and 1937, Chen Peng remained loyal and unyielding at the enemy's court and in spite of brutal beatings in prison. Following the outbreak of the war of resistance against Japan, Chen Peng, released from prison, immediately participated in, led and organized guerrilla warfare at the enemy's rear. He was one of the founders of the anti-Japanese base in Baiyangdian area in central Hebei.

Chen Peng was persistently loyal to the party and Marxism-Leninism-Mao Zedong Thought.

In compliance with Comrade Chen Peng's wishes for a simple funeral, no memorial meeting will be held.

DENG LIQUN VISITS YUNNAN PHOTOGRAPHY EXHIBIT

HK230916 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 22 May 83

[Text] A photography exhibition on the life of Yunnan nationalities closed in Beijing on 22 May. On exhibit were new art works of more than 70 professional and amateur photographers of our province.

Leaders of relevant departments, photographers and visitors to the capital of the country offered remarkable tributes to the exhibition. Comrade Deng Liqun, after visiting the exhibition, cheerfully said it gave a colorful picture of the life of national minorities in Yunnan. Comrade Zhou Weizhi showed great interest in the exhibition and encouraged our province to train more national minorities as photographers so that they will more extensively reflect the colorful life of all nationalities in the border province -- Yunnan.

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